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NEWS SUMMARY

GENERAL 100,000 stage nuclear protest... BUSINESS Warning of risk to Rolls orders

Edwardes to seek board approval for ballot on closures

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT Sir Michael Edwardes, the BL chairman, is determined to push through plant closures—with more than 25,000 redundancies—in the face of trade union opposition.

Money supply growth falls

BY DAVID FREUD THE EXPANSION in money supply fell in the month to mid-September, official figures released on Thursday are expected to show.

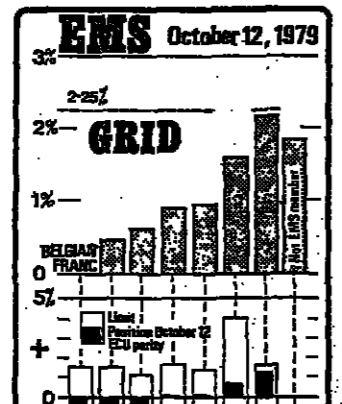
Alaskan oil search bids may top \$2bn

BY RAY DAFTER, ENERGY EDITOR, IN ANCHORAGE, ALASKA OIL COMPANIES may have to pay a record \$2bn for the right to explore in the Beaufort Sea, off the northern shore of Alaska, which is reckoned to contain some of the richest oil and gas reservoirs in North America.

About 100,000 protesters marched through Bonn in what organisers claimed was the biggest demonstration against nuclear power in post-war Germany.

ROLLS-ROYCE has warned its aero-engine workers that Eastern Airlines of the U.S., one of the main customers for its RB-211-535 engine, has started asking about the possibility of using other equipment.

Six shot in Turkish polls... More than 200,000 troops and police, backed by armoured personnel carriers, patrolled the streets, and security was said to be the most stringent ever for a Turkish election.



Tehran murder... Gumen killed a West German businessman outside his Tehran home, the first foreign businessman to be assassinated in Iran since the Shah's overthrow.

Crash kills three... Two men and a woman were killed and 28 injured, some seriously, when a coach carrying Hull University students overturned on the outskirts of the city.

Refugee camp hit... Five Kampuchean were killed and 12 injured when shells hit a refugee camp in Thailand, where nearly 30,000 people fled as Vietnamese-backed forces clashed with guerrillas of ousted Premier Pol Pot.

Federal Reserve discount rate... only Italy made any corresponding move in Europe. Interest rates were very firm on the Continent however, with Paris call money touching a peak of 11 1/2 per cent.

West Bank move... Israel has decided not to expatriate private Arab land to expand Jewish settlements on the occupied West Bank, but will use Government-owned land. The compromise has averted a Cabinet crisis.

Singer staff to discuss action... SINGERS' 3,000 Clydebank factory workers are to meet today to decide what action they will take over the company's decision to close the Scottish plant next June.

Spanish arrests... Spanish police detained 19 guerrilla suspects following the arrest of the country's most wanted man, Jose Maria Sanchez Casas, alleged leader of the Left-wing guerrilla group, Grapo, which is said to have murdered more than 30 people.

ENGINEERING industry shop stewards have set up a national co-ordinating committee which is to campaign for a revision of the industry's recent hours and wages agreement.

House sale claims... The Commons Public Accounts Committee may investigate allegations that council houses have been sold to tenants for substantially less than it cost to build them.

SUPPORT for the proposed inflation accounting standard on current cost accounting has come from a committee of the English Institute of Chartered Accountants.

Briefly... Bill Rogers won the Suntory World Matchplay Championship at Wentworth by one hole, defeating defending champion Issa Aoki Goki.

LINK HOUSE Publications, publisher of Exchange and Mart, is offering for sale 5m ordinary shares—about 25 per cent of its capital—at 125p per share, giving the company a market capitalisation of £15m.

Rhodesia military chief flies to London

BY BRIDGET BLOOM LT. GEN. PETER WALLS, Rhodesia's top military commander, unexpectedly flew into London yesterday on the eve of the sixth week of the deadlocked Lancaster House talks.

MPs ATTACK SPONSORSHIP PLAN

Labour MPs have attacked a plan by BL subsidiary Land Rover to pay £20,000 a year to sponsor a team of six horses to be ridden by Captain Mark Phillips.

Crucial Times talks begin

BY ALAN PIKE, LABOUR CORRESPONDENT THE RACE to negotiate complete new pay and conditions agreements for National Graphical Association members at Times Newspapers in the space of only a few days began yesterday.

Police 'aware' of difficulties over container leasing company

BY DAVID FREUD SCOTLAND YARD'S fraud squad confirmed last night it was "aware" of the difficulties surrounding the affairs of a container leasing investment company.

Buying Dewar's is like hooking a salmon when you expected a trout.

Dewar's advertisement with image of whisky bottles and text: 'Possibly a touch more expensive, always unquestionably smoother.'

CONTENTS China's Hua: Coming to see how Europe works... 18... Contents table listing various news items and page numbers.

OVERSEAS NEWS

French jobs trend improves

By Terry Dodsworth in Paris

THE SPIRAL of rising unemployment in France was reversed for the first time last month following the introduction of the new government-backed job creation scheme for the young.

At the same time, there were other indications of an improvement in the overall labour market, with an upturn in both job openings and the number of unemployed workers finding new posts.

While the authorities are clearly pleased with this halt in the month-by-month increase in unemployment they are treating the improvement very cautiously. It is noted that the reversal affects only the seasonally adjusted figure — which show a 3.6 per cent decrease in unemployment to 1,355,200 against 1,405,900 in August — rather than the uncorrected figures.

On the uncorrected basis, unemployment went up from 1,302,600 in August to 1,423,900 in September. Thus there is no firm indication that the underlying trend in the labour market has changed.

The impact of the youth job creation scheme will not be pronounced in the months to come, when the underlying growth in the economy—about 3.6 per cent this year—is not sufficient to hold out great hopes of a long-term upswing in the jobs market.

ECONOMY DEPENDS MORE ON S. AFRICA AND SALISBURY

Sabotage blow to Zambia

BY MICHAEL HOLMAN

SABOTAGE OF land-locked Zambia's northern link to the sea has left the short-term economic survival of the country in the hands of South Africa and the Salisbury Government of Bishop Abel Muzorewa.

Until the line reopens Zambia is dependent on one outlet to the sea—the railway through Rhodesia—for copper exports and urgently-needed food supplies.

The sabotage comes hardly a week after South Africa announced that it was rushing

200,000 tonnes of maize to Zambia, to help to avert a shortage of this staple food.

The timing of Friday's destruction by Rhodesian commandos of a bridge in Northern Zambia on the 1,162-mile Tanzania-Zambia Railway Tazara, which also severed the road route, seems designed to embarrass President Kenneth Kaunda.

He provides bases and other support for Mr. Joshua Nkomo's 15,000-strong guerrilla army. Mr. Nkomo and Mr. Robert Mugabe co-leaders of the Patriotic Front alliance, have

objected to land, citizenship and other provisions in the independence constitution for Zimbabwe tabled by Britain at the Lancaster House talks, where Zambia is a key observer.

Bishop Muzorewa, Prime Minister under Rhodesia's internal settlement, has accepted the constitution and urged Lord Carrington, the conference chairman, to discuss its implementation without further delay.

It was the inefficiency of the Tazara railway and the Tanzanian port of Dar es Salaam, which last October forced Dr. Kaunda to reopen the Southern

Bonn, East Berlin seek new links

By Leslie Collett in East Berlin

AN EXCHANGE of messages between President Erich Honecker and Chancellor Helmut Schmidt has opened the prospect that East Berlin and Bonn may shortly begin negotiations leading to new agreements improving ties between them.

The talks could result in new roads being built across their borders, as well as energy links. Herr Honecker and Herr Schmidt met the permanent representatives of East and West Germany in each other's capitals, and discussed "a question of mutual interest."

Their relations had steadily worsened until now following East Germany's decrees in May forbidding western correspondents to interview East Germans. This was followed by a series of drastic amendments to East Germany's internal security laws providing for high prison sentences for East Germans passing information of even of a general nature to westerners.

The impetus for the new contacts came from Herr Honecker in a speech last week, in the presence of Mr. Leonid Brezhnev, the Soviet leader, at ceremonies marking East Germany's 30th anniversary.

The East German leader said he saw a "distinct possibility to resolve a number of issues" between the two Germany's.

Israel Cabinet avoids crisis on settlements

BY L. DANIEL IN JERUSALEM

THE ISRAELI government, in a bid to avert a Cabinet crisis, yesterday agreed to a compromise over its highly controversial settlements policy. Expansion plans for six Israeli settlements on the West Bank will not now depend on the expropriation of privately-owned Arab land.

The six settlements are to receive instead state land or plots which have not been recorded in the land ownership registry. A seventh settlement is to be moved from its present location where there is no state land to another site where such land is available.

Prior to the cabinet meeting Mr. Begin, the prime minister, had faced opposition from two leading ministers. Mr. Moshe Dayan, the foreign minister, had threatened to resign if land was seized, and Mr. Ariel Sharon, the defence minister, had made plain a similar position.

Other cabinet ministers, members of the national religious party, were thought likely to resign if settlements did not go ahead, thus threatening the government's position in parliament.

Faced with this opposition Mr. Begin refused to bring before the Cabinet a long range plan for large scale Israeli settlements in the West Bank worked out by Mr. Ariel Sharon, the agriculture minister. Mr. Begin met Mr. Sharon before the cabinet session and reportedly told him that this was not the time to put forward such programmes. Mr. Weizman told Israel Radio afterwards that he was glad that the government had adopted "sensible decisions."

The way to the compromise was paved by a detailed report by the government's legal adviser, Professor Y. Zamir,

Schmidt hopes rise for arms talks

BY JONATHAN CARR IN BONN

HERR HELMUT SCHMIDT, West German Chancellor, believes that prospects for East-West negotiations on the crucial issue of limiting intermediate range nuclear missiles have been improved by the recent speech of Mr. Leonid Brezhnev, the Soviet leader.

Herr Schmidt has also made clear he feels NATO should not be deterred from an early decision to modernise its own nuclear weapons in Europe, while offering to negotiate on missile-limitation with the Russians.

The Chancellor made the Bonn Government position clear in a lengthy radio interview yesterday. It followed a week of intense political discussion here, not only of the Brezhnev speech made in East Berlin, but also of a new impetus to East-West German Relations after a period of stagnation.

Bonn has long stressed that inter-German ties can only prosper if the general détente climate remains favourable.

Herr Schmidt interpreted Mr. Brezhnev's speech as a reaffirmation of the position the

Soviet leader had taken during his visit to Bonn in May last year—namely, that Moscow was willing to negotiate on intermediate range nuclear missiles.

These are Soviet weapons capable of reaching targets throughout Western Europe and to which the West so far has no wholly credible counterweight.

Herr Schmidt noted that Mr. Brezhnev had also applied pressure to try to prevent NATO from deciding to produce such weapons itself, then install them in Western Europe. But the Chancellor also stressed it was

significant that Mr. Brezhnev had twice referred to NATO "carrying out" such a decision, not just taking it.

In Herr Schmidt's view, the NATO Council meeting in December faced two interlocking decisions. One was to produce and install the nuclear weapons, which would take several years, and the other was expressly to follow-up the Soviet negotiating offer. A success in such negotiations could make installation of the missiles in Western Europe unnecessary.

Assad for Russia as Soviet support rises

BY IHSAN HIJAZI IN BEIRUT

PRESIDENT Hafez Assad of Syria flies to Moscow today at the head of a high-level civilian and military delegation amidst signs of increasing Soviet support for his country.

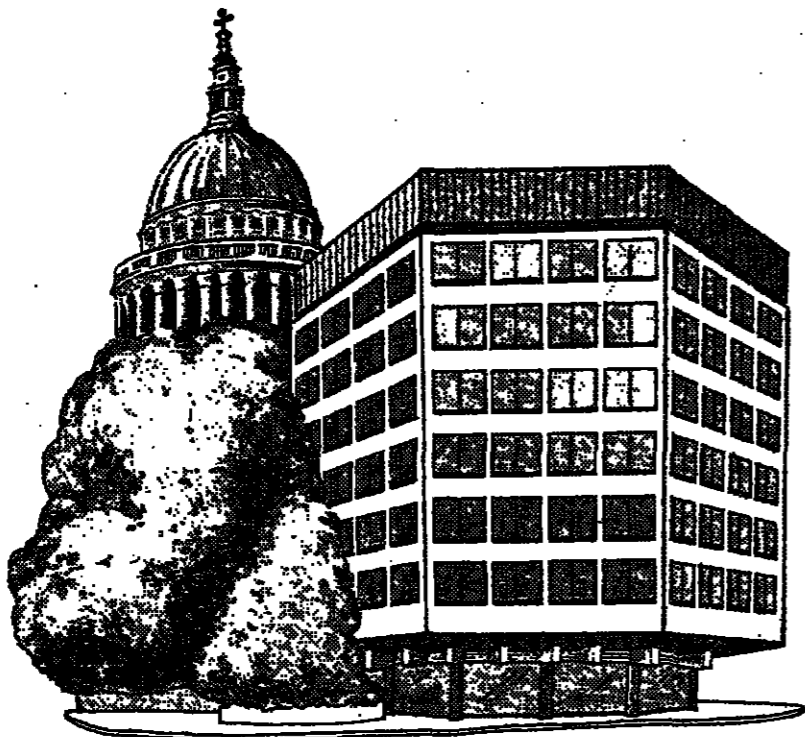
An announcement in Damascus said the delegation will include Major General Mustafa Tlas, the defence minister and Mr. Abdel Halim Khaddam, the vice premier and foreign minister. Mr. Daniel Nimeh, one of the leaders of the Soviet-oriented Syrian Communist Party is also in the team. His inclusion is seen by observers as underlining a stronger cooperation between the President's ruling Baath party and Moscow-backed Syrian Communists.

There has been no confirmation of speculation in the Lebanese press that President Assad will sign a treaty of friendship and co-operation with the Soviet Union during his stay in Moscow. Despite close cooperation over the years between the two countries, Syria steered clear of such alliances, even though its neighbour, Iraq, signed a treaty with the Soviet Union seven years ago.

On the eve of the visit, the Soviet Novosti news agency said the occasion this time acquires added importance due to what it called, the conspiracies by the Moslem Brotherhood and the Camp David parties to undermine Syria's security and steadfastness.

The commentary indicates that the Soviet Union has endorsed the Syrian government charge that fundamentalists of the Moslem Brotherhood, allegedly backed by Israel, the U.S. and Egypt, were behind the recent communal unrest in Syria which claimed the lives of well over one hundred persons, many from President Assad's own Alawite sect.

Arab diplomatic sources say Moscow appears more favourably disposed now than a year ago to furnish the Syrians with sophisticated weapons. In recent months, Syria received an undisclosed number T-72 tanks, the most advanced Soviet-made tank which is said to be superior to anything Israel has.



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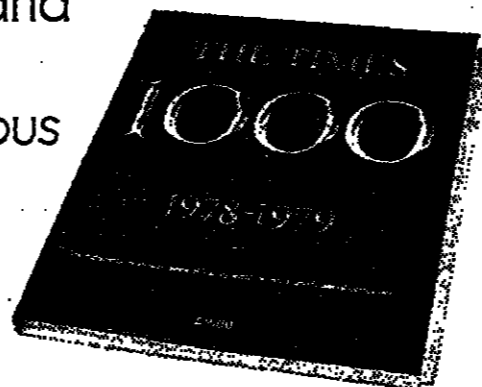
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Dubai admits spot sales

BY KATHLEEN BISHTAWI IN DUBAI

DUBAI HAS conceded that it is selling a proportion of its crude at \$34 on the spot market — nearly \$11 more than the official limit declared by the Organisation of the Petroleum Exporting Countries.

Defending the policy, a senior local official said: "Naturally, the obligations of Sheikh Rashid, the ruler, are to his people, not to the shareholders of Hispanoil or oil company stockholders in Philadelphia or wherever."

As one of the seven sheikhdoms of the United Arab Emirates, Dubai is technically also a member of OPEC. In practice, however, it has tended to ignore the Federal Government as far as petroleum policy is concerned.

This year also happens to mark the peak period of the Dubai ruler's debt servicing. Some estimated \$2bn has been borrowed on the international market to finance local industrial developments. Repayments this year are believed to be around 35 per cent of his annual oil income. Apart from the bonuses accorded by the spot market, this was calculated to be about \$1.7bn.

Dubai produces some 360,000 b/d, and significantly its production is expected to begin falling off within the next couple of years.

"We are not in favour of the spot market," the official declared. "It will only encourage prices to get out of control, and it hurts us just as much to see these high prices, because the net result is that our import bill rises." He did not expect this policy of selling to the spot market would continue for long.

The shareholders in the Dubai Petroleum Company are Continental, Compagnie Française des Petroles, Hispanoil, Texaco, Sun Oil and Wintershall.

The official said that the decision to enter the spot oil markets had been initiated in the middle of last August and that "it was possible that this may continue until the new year—or until the official price had been topped by OPEC so that the activities of the spot market would be eliminated."

He emphasised that "only a very small percentage of the total production had been placed in this way," but until Dubai considered it worthwhile to sell to the companies in the "old system," spot market sales would continue.

'GRAPO' chief arrested

BY DAVID GARDNER IN MADRID

SPANISH POLICE have arrested 20 alleged members of GRAPO, the urban guerrilla organisation, among them the prime mover of the group and its political counterpart, the so-called "Reconstituted Communist Party of Spain" (PCE-r).

The alleged GRAPO leader was detained along with his wife and two children in the eastern city of Valencia. His arrest followed a large-scale police operation across Spain, centring on Barcelona and Madrid.

Among those arrested were several said to be on a police reward list, including GRAPO's explosives expert.

Businessman shot

TEHRAN—Herr Hans Joachim Leib, a West German businessman, was shot dead by two men riding a motor-cycle as he left his suburban home here yesterday, diplomats said.

Herr Leib, an executive of the local subsidiary of Merck Pharmaceutical Company, was the first foreign businessman assassinated in Iran since the Revolution which toppled the monarchy in February.

A note pinned to his body said that Forghan, which appears to be a Moslem extremist organisation, was responsible for the killing.

● Kurdish guerrillas kidnapped the Iran businessman's special representative in Mahabad in a mid-morning raid on the governor's office of the former rebel capital yesterday.

Reuter

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China reviews tax system for foreign investment

BY OUR FOREIGN STAFF

MR. LIN CHI-HSIN, the managing director of the Bank of China, has admitted that uncertainties over China's rates of personal and company taxation could deter foreign investors from participating in joint enterprises.

Mr. Lin, who was addressing a China trade conference in Singapore, said at the weekend that China was currently studying the subject with a view to drawing up rules and regulations on taxation, foreign exchange control, the incorporation of companies and the registration of industrial and commercial enterprises.

As part of its modernisation programme China will accept several methods of financing its trade with foreign companies, although it seems clear that at present China is not prepared to provide finance for joint ventures by local and foreign concerns.

However, Mr. Lin said that if a deal is made in the form of a compensatory trade agreement whereby, for example, a foreign company provides capital for the development of coal mines and receives coal and petroleum by way of payment

the Bank of China would be ready to provide letters of guarantee on behalf of the Chinese company involved.

This is provided that the agreement involved conforms with China's overall economic aims and that there is clear evidence of the necessary ability to repay.

Mr. Lin assured foreign businessmen that their share of the profits in joint ventures can be remitted abroad through the Bank of China. Alternatively if the profits are re-invested in China, an application can be made for a refund of the tax paid.

Wages, which are not remitted abroad but deposited instead in the Bank of China, will have the interest paid on the money tax free.

However, it seems clear that for the foreseeable future foreign companies will have to look to their own financial resources for the capital funds to participate in any joint venture with Chinese companies. China does not intend to do more than offer letters of guarantee on behalf of the Chinese enterprises involved.

The Bank of China will con-

sider loans from foreign Governments and foreign banks, particularly in respect of the purchase of advanced technical equipment and the expansion of China's own exports.

China will also adopt whatever methods are normal practice in international banking, including inter-bank deposits, buyers credits and bank credits. Other methods of economic co-operation mentioned by Mr. Lin include deferred payments for imported equipment and co-operative production where each side produces some of the components which are then assembled in the finished product.

Reuter adds: A Japanese company executive said that China's views on joint ventures differed fundamentally from those held in capitalist countries. Mr. Tsunehiko Kawasaki of the Mitsui said China considered that the plant equipment of a joint venture company belonged to the nation.

Investors in China should also be aware that capital gain did not exist under the Chinese system.

S. Korean nuclear contracts

SEOUL—Westinghouse Electric has signed a contract to supply \$263m worth of equipment for two South Korean nuclear plants, officials of Korea Electric announced here.

Under the contract two nuclear reactors costing \$169m will be supplied together with two turbine generators worth \$78m. Equipment for the initial processing of nuclear fuels will cost \$23m.

The nuclear plants each with a capacity of 950,000 KW, are scheduled for completion by 1988 and 1987 respectively at a total cost of \$2.64bn including \$1.3bn in foreign loans.

Korea Electric said the U.S. Export-Import Bank would lend \$886m of the required foreign capital as well as guaranteeing another \$165m.

South Korea's first nuclear station, with a 387,000 KW capacity, became operational last year with Westinghouse providing the nuclear equipment. Meanwhile, Westinghouse Electric and its Japanese licensee Hitachi Zosen has won a \$230m contract to build 10 desalination plants in Saudi Arabia which are scheduled to go into operation during 1982 and 1983.

Pressure to standardise

NEWS ANALYSIS • VIDEO SYSTEMS MARKET

BY JOHN LLOYD

THE AGREEMENT announced last week between the two giant electronics companies, Philips of Holland and Sony of Japan, to freely exchange patents, could be of greater significance than such agreements usually are.

As more details become available, it is clear that the main thrust is likely to be in the new technologies of the video, and digital audio, discs, though the agreement covers the full range of video and audio products, including video cameras.

It is not likely that there will be a move by the two companies to arrive at a common video tape system, certainly not in the short or medium term. Philips, Grundig, will together with their new Video 2000 system next year, replacing the 1700 models currently being offered; Sony will stick to the Betamax, a commitment heavily underscored again this week by the company's chairman, Mr. Akio Morita.

In the longer term, Philips notes that when cheap, portable, colour VCR cameras come—and they are only two or three years away—the pressure to standardise will grow, since customers will want to swap tapes.

For the time being, however, the market will continue to offer three incompatible systems: the Philips, the Betamax and the Matsushita/JVC VHS system.

Growth of the market in the UK and in Europe has been

slower than the more optimistic forecasts of some observers, but is beginning to pick up. In the UK, for example, some 100,000 VCR machines were imported in the first half of the year, and the final total for the year will be close to 200,000.

The price tag on most VCRs is around £500, with some mark-down because of expectation of new systems next year. The price is then likely to rise to around £600.

The video disc still has to create its own market. For the moment, only Philips has a product out, and it is test marketing it with some reported success in two areas in the U.S. Sony, RCA and JVC also have systems at development stage, and it appears that the companies have come up with three different systems.

JVC's is a capacitive system, in which a shoe "reads" the grooves while poised just above it. RCA's which will appear next year, is said to employ a contact stylus. Both Sony and Philips, whose systems have hitherto been developed separately, use optical laser technology, and Philips says that the two are already virtually compatible.

It is in this area, then, that the agreement is likely to bear fruit, though quite how is still to be determined. Both companies maintain a fierce independence, and will no doubt wish to market their systems separately, even if it is funda-

mentally the same. There is obviously scope, however, for some sort of market co-operation.

The market is likely to be worth the effort.

Philips believes it will be bigger than the video tape market, because the machines will be cheaper—around £400—and the discs will cost much less. For example, a video tape of a recently released film costs between \$70 and \$120 in the U.S., against a price of between \$8 and \$25 for the same film on disc.

The European launch of the (Philips) video disc will be in 1981 in the UK—largely because the country's rental chains provide rapid access to consumers. European production of the discs will be concentrated in the Philips subsidiary Mullard's plant in Blackburn, probably beginning in 1980.

Will this mean more turmoil as consumers are cajoled into changing from tape to disc systems?

No, says Philips: the two are not exclusive. Tape will be for home movies, disc for bought-in entertainment. The "multi-source in-home entertainment centre" in the jargon of the trade, moves closer.

To complete the package, the digital audio disc is also the subject of the Philips/Sony agreement, though developments here are less advanced.

SHIPPING REPORT

Oil price fears boost demand for tankers

By Lynton McLain

THERE was a steady improvement in tanker freight rates on world markets last week, with much of the activity concentrated in the Gulf.

Brokers in London said it took the best part of the week for rates to stabilise for the larger vessels loading out of the Gulf. However, very large crude carriers eventually settled at Worldscale 48 1/2 and ultra large crude carriers at Worldscale 45. There was also activity in the smaller ship markets and rates are expected to remain firm.

The intensive trading is attributed to the continued threat of increased crude oil prices. Charterers were reported to have accepted higher rates with little concern about the higher rates prevailing.

There was slightly less demand from West African markets last week and in the Mediterranean the market again involved mixed vessels with the U.S. one of the main destinations. There was also reported to be better demand in the Caribbean but rates did not improve as expected.

The period charter market continued to reflect demand for VLCCs for short periods and new 100,000 dwt vessels for periods of five years and longer.

The second hand ship market was reported to be buoyant with activity in all sectors. The last two bulk carriers in the Sugar Line Fleet, owned by Tate and Lyle, the Sugar Trader and the Sugar Carrier, each of 28,500 tons deadweight, were reported to have been sold, for approximately £4.5m each.

• Brazilian shipyard Verolme Estaleiros Reunidos do Brasil sold two oil tankers worth slightly over \$70m to Andenes Shipping of Oslo. Verolme chairman J. G. A. Ten Bokkel, said. The tankers are for delivery in 1982-83. Reuter reports from Rio de Janeiro.

Meanwhile the West German shipbuilding company, Howaldtswerke-Deutsche Werft has won an order for two over 80,000-tonne bulk carriers from Deif Hoegh of Norway with delivery scheduled in late 1981.

Growing role in world shipping forecast

BY LYNTON MCLAIN

CHINA IS expected to play a growing role in international seaborne trade as the country's modernisation plans make progress. H. P. Drewry (Shipping Consultants) says in a report on China's trade and shipping which has just been published. China's bulk dry imports now account for between 2 per cent and 3 per cent of world seaborne trade and dry bulk exports account for less than

1 per cent. The country's oil export trade is still in its infancy and Chinese trade in non-bulk commodities is insignificant in terms of world trade, the report says.

However, the growing demand for imported plant and raw materials, continuing demand for foreign grain and the increased need to export goods, has accelerated expansion of the Chinese merchant fleet.

The Chinese have already bought an extensive fleet of general cargo tonnage and demand in this sector is expected to continue and may be greater than demand for dry bulk cargo vessels and tankers.

China was active in purchasing dry bulk cargo vessels on the world second-hand market last year and earlier this year. But demand from China has subsided as prices have risen in recent months. However, the earlier purchases appear to have cut the gap between supply and demand in this sector of the Chinese fleet, although more tonnage could be absorbed, the report says.

In particular more larger vessels could be used for handling possible increased exports of ores and coal.

However, there has been a lack of investment in tanker tonnage and suggests that China will need to buy new tonnage "in the not-too-distant future".

There is also "considerable

potential for containerisation," the report says. The greatest scope for container trade would be in the traffic between China and the U.S., Japan, Europe, Australia and Hong Kong.

China is expected to be the first targets for Chinese container traffic. China leased 500 containers from Japan last year, and in November China bought a further 600 units for delivery in 12 months.

China has also reached agreement with Container Transport International (CTI), of the U.S., to provide expertise to build and operate two container manufacturing factories. CTI has an option to buy the first five years' output, of up to 100,000 international equivalent units of containers. China would then take over two fully operational container manufacturing plants.

"The role of China in international seaborne trade and shipping," £40 from HPD Shipping Publications, 34, Brook Street, London W1Y 2LL.

Bahrain tender out today

BY OUR FOREIGN STAFF

TENDER documents for the \$800m causeway construction project, to link Bahrain with Saudi Arabia, are due out today. The award to be made around July.

Among the 22 short-listed contractors are Hyundai of South Korea, Petrolia of Greece, Skanska of Sweden, and Condotte of Italy.

Among British companies, groups,

John Howard and Sir Robert MacAlpine are working in joint venture with Hitachi Shipbuilding and Engineering, of Japan, and Bristol Steel of the U.S.

Taylor Woodrow, Richard Costain and Redpath Dorman Long are grouped together, and Balfour Beatty leads a consortium including four Japanese groups.

Poland stages technical week in Britain

By Anthony Robinson

POLAND IS staging a four-day technology event this week at the London Chamber of Commerce as part of its effort to step up technical co-operation and joint ventures with UK companies.

The series of seminars and technical presentations covering the Polish aviation, machine tool, electrical and power engineering, construction, chemical, computers, medical equipment and other medium to high technology sectors will be opened by Mr. Aleksander Kocpa, Poland's Minister for the Machine Industry.

World Economic Indicators

Country	Units	UNEMPLOYMENT			
		Sept. 79	Aug. 79	July 79	Sept. 78
UK	000s	1,264.0	1,264.7	1,276.7	1,378.1
	%	5.2	5.2	5.3	5.8
Germany	000s	736.8	798.8	804.0	864.3
	%	3.2	3.5	3.5	3.8
U.S.	000s	5,985.0	6,149.0	5,848.0	6,000.0
	%	5.8	6.0	5.7	6.0
		Aug. 79	July 79	June 79	Aug. 78
France	000s	1,405.9	1,403.5	1,392.9	1,157.0
	%	6.1	6.1	6.0	5.0
Belgium	000s	287.7	288.8	276.3	270.5
	%	7.2	7.2	6.9	6.8
Holland	000s	208.9	211.8	214.6	210.5
	%	5.0	5.0	5.1	5.3
		July 79	Apr. 79	Jan. 79	July 78
Italy	000s	1,880.0	1,580.0	1,632.0	1,458.0
	%	9.1	7.8	8.1	8.1
		May 79	Apr. 79	Mar. 79	May 78
Japan	000s	1,110.0	1,240.0	1,350.0	1,230.0
	%	2.0	2.2	2.1	2.3



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UK NEWS

Rolls-Royce engine orders 'in danger'

BY ARTHUR SANDLES

ROLLS-ROYCE has warned its aero-engine workers that one of the major customers for its new RB-211-535 engine has started to make inquiries about the possibility of using other—certainly American—equipment.

Work on the 535 engine is now well behind schedule. The RB-211-535 is crucial to the future of Rolls-Royce. It is the lead engine for the Boeing 757. The Government is investing about £250m in support for its development.

If the aircraft is a best-seller, the rewards could be enormous. But Mr. Dennis Head, managing director of the aero division, has told his staff that the picture is anything but rosy.

Writing in the Rolls-Royce house newspaper, he says: "The 535 programme is currently eight weeks behind schedule and it will take a great deal of effort to recover."

"Eastern (Airlines), one of the two launch airlines, has asked Boeing to study ways of guaranteeing the delivery date, if necessary with an alternative engine."

Eastern has firm orders for 21 of the jets, while British Airways is taking 19. Both airlines have options on further aircraft. Boeing estimates the

total potential sales at 2,000 through the 1980s.

"Our developing business relationship with such an immensely successful aircraft manufacturer as Boeing is vital to Rolls' future," says Mr. Head. "The performance of the RB-211-534 is proving so good that Boeing is telling customer airlines that its fuel consumption is superior to that of any of the big American engines."

But he adds: "We are on trial with Boeing. They would never let the poor performance of a supplier stand in the way of their success."

Reputation

Mr. Head says that Rolls-Royce has much work to do in mending its reputation for reliability and service.

"We promised major TriStar operators like TWA, Delta, Eastern and Air Canada an improvement in the supply of parts by last May. We had missed that target even before the engineering strike."

He says that the engineering dispute "savaged our production." Rolls-Royce had hoped to increase production by 20 per cent this year, "but we are not going to get anywhere near that."

Mr. Head says that foreign

car manufacturers did not take the market from British Leyland — "it was given to them, just as we are in danger of giving our business to Pratt and Whitney and General Electric — if we don't perform."

He writes that the task facing Rolls-Royce is more than recovering from the recent dispute. Production and delivery performance have been inadequate for more than a year. A run of disputes last winter, including the road haulage strike and others among Rolls-Royce suppliers, badly affected the company's performance.

Arguing that Rolls-Royce's customers have been remarkably patient in recent weeks, Mr. Head says that they will be watching the company's performance very carefully.

Big jet engines are the spearhead of the Rolls-Royce business, but other activities — military jets, helicopter engines, marine and industrial power units — face similar tasks in restoring their credibility.

"Either we take the road to extinction and follow the motor cycle industry, British-owned car manufacture, steelmaking and shipbuilding into decline, or we respond to the immense opportunity that still lies waiting for us."

Road spending 'at all-time low'

BY LYNTON McLAIN

THE BRITISH spend five times as much on road travel as on all other forms of transport, the British Road Federation says in its annual survey of road statistics, published today.

According to the federation, average spending on transport is 13 per cent of the earner's total budget, a figure which continues to rise — it was 10.5 per cent in 1965 and 12.2 per cent four years ago.

Road users are expected to pay over £5.50 bn to the Government in taxes related to motoring this year. This accounts for 11.4 per cent of all Government revenue, but only £2 bn of this is spent on roads, the report says.

The federation says that the imbalance between taxation and

road spending is now at its highest ever, a ratio of 2.8 to 1.

In contrast, road construction is at its lowest level for years, the report says. Spending on roads is running at less than half the level of five years ago. This year has seen the 10th successive cut in road spending in six years, although Britain has one of the highest traffic densities in Europe, at 76 vehicles for every mile of road.

The report also says that Britain's trunk motorway network is poor compared with those in other European countries. West Germany, which has a similar area and population, has three times Britain's motorway mileage. The Netherlands, six times smaller than Britain, has almost the same motorway mileage.

Dismal car record shown

BY TOPPING the league tables in three sectors — reduced commercial vehicle production, reduced car manufacture and increased motor imports — the British motor industry is shown in dismal contrast with its rivals in the latest Daimler-Benz annual report.

The report contains a commentary on world vehicle markets. It shows that Britain was the only major nation to produce fewer commercial vehicles last year than it had

five years earlier. It suggests that British car production has fallen faster than elsewhere, by 50 per cent in five years compared with the next sharpest fall-off, Sweden's 25 per cent.

For the first time the Soviet Union has overtaken Britain in car production. The report shows that while most countries managed to keep imports steady, the number of cars imported into the UK has steadily risen.

Extended credit at Boots

Financial Times Reporter

BOOTS THE CHEMISTS is to extend its credit card and personal loan schemes in time for the Christmas shopping spree.

After a successful market testing in 34 stores, they will now be promoted in 130 outlets throughout the country.

Customers will, however, be able to take advantage of the credit card and personal loan schemes in any one of Boots' 1,130 branches and the 143 branches of Timothy Whites, its houseware chain.

Both schemes are operated by National Westminster Bank. Credit card customers may elect to pay a fixed sum of £5 to £20 a month and their credit will be 24 times the amount paid. The interest charged by NatWest will be 1.85 per cent a month. The personal loan interest will be at 12½ per cent a year flat.

In the year to March, 1979, sales (excluding VAT) in Boots and Timothy Whites exceeded £550m.

The company already takes Access and Barclaycard but looks to the new scheme to increase the range of payment facilities available.

Boots' market research shows its customers are typical of the national mix but it is looking to those wanting to buy the more expensive items now available.

Promotional literature is stressing "the easy way to budget and buy."

Managers back picket changes

BY JAMES McDONALD

MANAGERS strongly favour an alteration in the definition of legal picketing, the British Institute of Management says in a submission today to Mr. James Prior, Secretary for Employment.

The institute says it prefers restricting trade union immunity to picketing which is limited either to those who are party to the dispute or to those who picket at their place of work. This was preferable to reverting to the 1974 law which limited immunity to breaches of contract of employment but not commercial contracts.

Mr. Roy Close, the institute's director-general, says in a letter to Mr. Prior reporting a new consultation among BIM members on the Government's recent proposals for changing the law on picketing, that this has been the main change in managers' views, after last winter's events.

"Our members showed considerable interest in this alternative approach" Mr. Close writes. "Of course it carries certain disadvantages, while it would be

an amendment that would meet the public mood, by identifying who may picket legally, and where its clarity could provide a formula for 'martyrdom' for hardliners."

But others felt that "although it might be more likely than the other option to lead to confrontation, it would still be left to the employer's initiative to take the action to obtain an injunction."

Managers saw some difficulty over the definition of the "place of work." Some particular qualification should be made for mobile workers, including lorry drivers and for sub-contractors' workers.

Of nearly 1,000 managers responding to an institute survey, three-quarters believed that workers had a right to peaceful picketing to persuade others to support them.

Among those who believed in the right to picket, 82 per cent felt that the right should be limited to those in dispute at their own place of work. Only 3 per cent did not think there should be such a limitation.

Labour MPs attack BL 'royal' sponsorship

THE NEWS that BL is to sponsor a team of horses to be ridden by Captain Mark Phillips at a cost of £18,000 a year, has angered some Labour MPs and brought a move to table Commons questions to Sir Keith Joseph, Industrial Secretary, after Parliament resumes next Monday.

Mr. William Hamilton, Labour MP for Central Fife, said yesterday: "This is an appalling business. It really shows the complete insensitivity of these people, particularly at a time when British Leyland is literally fighting for its life."

"This is public money being involved here, it is like putting

your hand in the blind man's hat." Mr. Hamilton's move to table the Commons questions is backed by Mr. Dennis Skinner, Labour MP for Bolsover. He said: "It is staggering to find out that a prominent member of the Royal Family needs paying to be patriotic, especially at a time when 2,000 jobs are threatened."

Mr. Martin Mannery, Labour MP for Sheffield, Hillsborough, commented: "I think Sir Michael Edwards (BL chairman) would be better either to get on his way and stop making such an unhelpful mess of British Leyland or at least to stop gimmicks as this trivial clap-net."

Wool industry supports call for import controls

FINANCIAL TIMES REPORTER

UNFAIR textile imports are jeopardising the industry's future and must be stopped, according to a leading member of the wool textile industry, Mr. David Briggs, chairman of the British Wool Confederation, was speaking in Bradford, supporting the recent call for action by textile trade union leaders.

Mr. Briggs said that the industry was to have a new central trade association, the Confederation of British Wool Textiles, to streamline its trade association structure. This would speed up the process of consultation and decision-making and ensure that the industry's views were properly represented in Westminster, Whitehall and Brussels.

The association's priority would be to persuade the UK Government and the EEC to stop unfair competition from fabrics or clothing shipped into the UK or the EEC with the benefit of subsidies, incentives or rebates, whether open or hidden.

Mr. Briggs said there was a need to negotiate appropriate terms with countries with which the UK engaged in reciprocal trade. In many cases such countries had high bar-

riers against UK exports, while the UK had low barriers against theirs.

"We welcome the fact that the trade unions are also making representations to stop unfair imports. We are not only importing unfairly cheap goods, but also unemployment," he added.

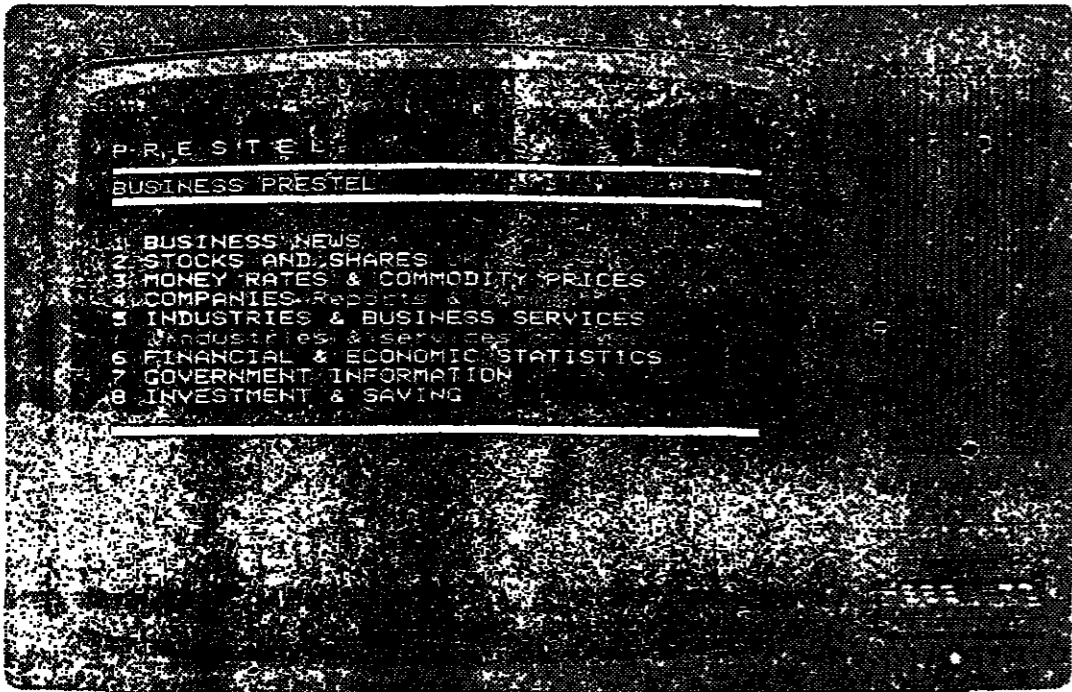
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TV strike side-effects feared

By Arthur Sandles
 BOTH ITV and BBC are worried about the long-term consequences of the 10-week black-out.
 ITV is concerned about the loyalty viewers may retain for BBC programmes. BBC now faces the task of ensuring that the forthcoming licence fee rise is sufficiently high to enable it to pay its staff rates comparable to those ITV staff have sought.
 Programmes such as *To the Manor Born*, starring Penelope Keith, and Mike Yarwood's new comedy series have been drawing more than 20m viewers a week. *To the Manor Born* had 24m viewers, according to the last count by the commercial company's own checkers. If ITV had been on the air, the show would have done well to get an audience half that size.
 ITV executives have been disappointed at the lack of public outcry about the absence of the commercial channel. Any substantial failure to win back their audiences could hit advertiser confidence.
 The BBC has always made it plain to the Government that it should be able to pay its staff similar rates to those at ITV. But the Government is unlikely to help the BBC match the 45 per cent two-year pay deal now under consideration by the ACTU in ITV.

Airport protest group seeks costs inquiry

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A DETAILED analysis of the social and economic benefits and disadvantages of building a third major airport for London on an inland site is urged by the major environmental groups opposing it.
 In a joint letter to the Secretaries of Trade and the Environment, they suggest that a full-scale "cost-benefit analysis" has never been done.
 Even the cost-benefit studies carried out by the original Roskill Commission were "no more than a means of comparing the merits of different sites in meeting given forecasts of air travel."
 "The analysis which we say must now be done is to compare the benefits of future expanded air travel with the disadvantages which an international airport at an inland site would bring in its train," the groups say.
 "To put it very simply, would all the human agony, the expropriations, and the lasting damage to the open background, be justified in order to accommodate expansion of the tourist trade—because that is what the need for the airport mainly seems to consist of?"
 The possible site for the third

airport is being studied by a small group of civil servants and others, set up by the Department of Trade.
 It is examining a short list of six sites—Langley, Willingale and Stansted in Essex, Maplin off the Essex coast, Yardley Chase on the Buckinghamshire-Northamptonshire border and Hoggston in Buckinghamshire.
 The environmental groups campaigning against Yardley Chase, Hoggston, Langley and Stansted, say that at all the sites there is "implacable, uncompromising opposition to the idea of an airport. Feeling runs very high."
Uprootings
 So many people will face the loss of homes, land and other amenities if the airport is put on an inland site that "apart perhaps from the Highland Clearances of the 19th Century, it is difficult to find rural uprootings on this scale in the history of our country."
 "We do not believe that in peace time there is any civil need so imperative as to justify turning people out in these numbers."
 The groups believe that the off-shore site at Maplin presents a different and far less damaging solution to the problem. But for an inland site, the political and procedural difficulties are "appalling," involving a long-drawn out, costly public planning inquiry, "bitterly contested on every point, leaving a trail of rancour and disbelief, and with no certainty of the outcome."
 "We believe that a decision not to proceed with a new airport at an inland site, far from being greeted with dismay, would be widely applauded within the country as showing that the Government really does care about the environment."
 The Government study group's recommendations on the possible site are expected to be sent to Ministers next month.
 Meanwhile, there are still inter-departmental discussions between Trade and Environment on the other major outstanding airport issue—the provision of a fourth passenger terminal at Heathrow.
 A statement is expected in two or three weeks. It is believed that the report of the inspector who conducted the public planning inquiry into the fourth terminal plan has suggested that it should go ahead—but with some severe environmental restrictions on its use.

GLC house sales may be probed

By Andrew Taylor

THE PUBLIC Accounts Committee is considering whether to investigate allegations that council houses have been sold to tenants for substantially less than it cost to build them.
 Mr. Jack Straw, Labour MP for Blackburn, and special adviser to Mr. Peter Shore, Environment Secretary in the last Labour Government, had complained that the Greater London Council had sold council houses "at prices up to £14,000 below what they had actually cost to build."
 Mr. Straw said yesterday that Mr. Joel Barnett, chairman of the Public Accounts Committee, had said that he "will now consider with members of the committee whether this is an appropriate subject to look into."
 The GLC recently decided to freeze several hundred council house sales to tenants because the deals would have involved the authority in substantial losses.
 Meanwhile Mr. Straw said yesterday that Mr. Geoffrey Finsberg, Under Secretary for the Environment has rejected a call for an independent technical inquiry into the financial consequences of council house sales generally.

NEWS ANALYSIS—BSC's £400m INVESTMENT

Teesside works aims for trouble-free production

BY ROY HODSON

THE BRITISH Steel Corporation has been confident for more than a year that its £400m iron-making investment on Teesside—the biggest single postwar investment in European iron and steelmaking—will be a financial success.
 Long negotiations with the unions involved began in 1977 and were concluded late last year. A rates agreement between British Steel and the men ensures the furnace can make the cheap iron needed to put the corporation in a competitive position in the international ironmaking league.
 Since then the blastfurnacemen and other unions manning the furnace have honoured the agreement and the corporation is basing future strategy upon a trouble-free run of low-cost iron production at the 10,000-tonnes-a-day furnace.
 British Steel has had bitter experience in introducing new ironmaking capacity. The 5,000-tonnes-a-day Llanwern, South Wales blast furnace was supposed to provide a major increment in the corporation's low-cost iron output from 1977. But output was delayed for more

than a year by labour disputes and technical problems.
 Lessons learned by the Llanwern experience were applied on Teesside where the prize was a furnace with double the Llanwern iron output for the same number of men employed. The new Redcar furnace is one of the most competitive iron producing units in the world with a furnace manning level of only 17 men per shift on three shift seven-days-a-week working.
 In return Teesside blast-

after it has achieved its current manpower target of around 170,000 for an annual production level of 17m tonnes.
 The corporation's productivity has slipped well below ruling world levels in the 12 years since nationalisation. British Steel now makes 137 tonnes of liquid steel per man year according to European Coal and Steel Community figures.
 By comparison, West German companies achieve 200 tonnes per man year, French companies 165 tonnes per man year, Dutch companies 250 tonnes per man year, and U.S. companies 170 tonnes per man year.
 Comparisons with Japanese producers are difficult but it is generally accepted their output per man year is higher than any figures quoted above.
 British Steel is achieving international manning levels on nearly all new plant it installs.

MORE HOME NEWS
 ON PAGE 20

Obstacle

Required levels have also been achieved within the past two years at the Thyrbrough bar mills in Rotherham, the Anchor melting shop and mills at Scunthorpe, the new stainless steel plants at Sheffield and Panteg, South Wales, and the Shotton steel sheet coatings complex in North Wales.
 But overmanning is still rife throughout the corporation's older works. The proliferation of craft unions is seen by management as the biggest single obstacle to reducing manning in existing works to international standards.
 A small breakthrough on the craft problem was achieved during the Redcar iron-making talks. Craftsmen agreed to work together in groups on the three shifts; three craftsmen sharing a single "mate" when necessary. Although the Redcar craftsmen are keeping to their core areas of work, they are showing a willingness to blur old rigid boundaries to keep the furnace in production.
 British Steel is trying to spread that attitude to other plants. Its future policy to raise productivity to the level of other great steel makers can be summed up as:
 ● To bring the manning of processes down to international levels.
 ● To achieve similar reductions among craft workers responsible for repairs and maintenance.
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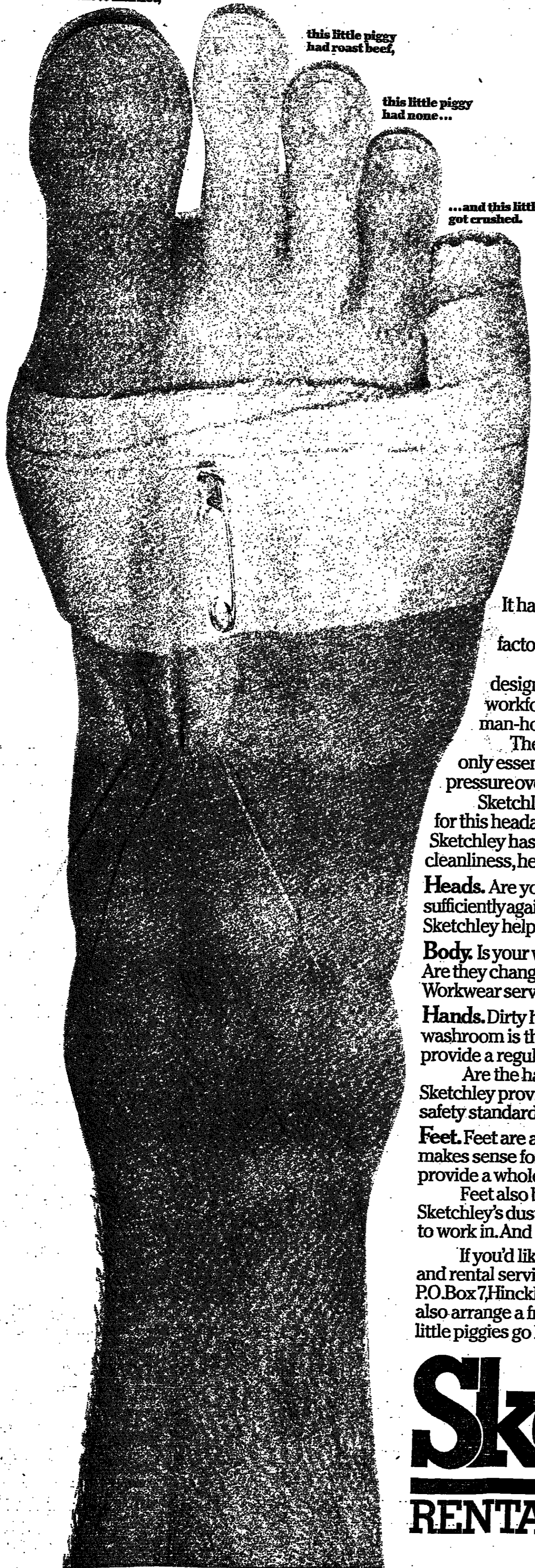
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RENTAL & SAFETYWEAR

UK NEWS—LABOUR

Hunterston dispute goes to TUC

By Gareth Griffiths

THE INTER-UNION dispute which has kept the British Steel Corporation's £100m ore terminal at Hunterston on the Clyde idle since it was completed in March, is to be referred to the TUC's finance and general purposes committee next Monday.

A meeting between management and unions held all day at the TUC headquarters in London on Friday under the chairmanship of Mr. Len Murray, TUC general secretary, was adjourned without an agreement.

Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said the matter would now go before the TUC's finance and general purposes committee. The confederation wants the jobs the terminal will provide to go to redundant steelworkers.

The Transport and General Workers' Union, the other union involved, wants the jobs to be given to unemployed dockers.

Engineers' group to press for better hours and pay

BY GARETH GRIFFITHS, LABOUR STAFF

A NATIONAL shop stewards' co-ordinating committee for the engineering industry was set up at the weekend to campaign for a revision of the recent agreement on hours and wage rates in the industry.

About 150 shop stewards from the Confederation of Shipbuilding and Engineering unions attended the founding meeting in Birmingham on Saturday. Support was particularly strong from the Midlands, London and Scotland.

The outlook of the co-ordinating committee is politically broad left, including left-wing Labour and Communist supporters.

Mr. Ron Halverson, a national committee member of the Amalgamated Union of Engineering Workers and a member of the 25-strong shop stewards' committee, said the new group's function was to give expression to the views of shop stewards at grassroots level. He said there was a great deal of bitterness at the terms of the recent agreement between the confederation and the Engineering Employers' Federation.

The shop stewards' committee said it felt that the national negotiators should have continued to press for a 39-hour week immediately, instead of agreeing to its introduction in 1981. The committee also wants higher minimum pay.

There are plans to enlarge the committee and to hold meetings at least once every six weeks to discuss tactics and strategy. The shop stewards say they intend to complement the unions' main organisation, though there could be friction with some moderate union leaders.

The impetus for the new committee came from a meeting in Sheffield last July. There was a similar organisation in the engineering industry between the 1940s and the early 1960s.

Public sector rises 'flexible'

By Philip Bassett, Labour Staff

THE GOVERNMENT'S target for this winter's public sector pay increases—based on the retail price index expected to be up by 17½ per cent by late autumn—should not be seen by trade union negotiators, as a pay norm. Mr. James Prior, Employment Secretary, said at the weekend.

In the first public acknowledgement by a Minister of a letter sent by Sir Keith Joseph, Industry Secretary, to certain nationalised industries which lays out rules on the setting of cash limits, Mr. Prior said there was no suggestion the increase in the RPI would become the general level of settlements.

Mr. Prior, in his first speech to a TUC-affiliated union since the general election, told the Engineers' and Managers' Association conference in Bournemouth that the level of public sector pay settlements would vary a great deal, in spite of the setting of cash limits based on the RPI, because of differences in productivity.

Though the firm application of cash limits to control public sector pay increases was a clearly stated Conservative policy, trade unionists reacted angrily to the idea of a maximum target when details of Sir Keith's letter emerged last week.

Mr. Prior, however, went some way towards indicating flexibility by laying stress on the ability of workers to win higher rises through increased productivity.

Ministers have privately been keen to rebuff charges that the issuing of the Government's declared opposition to a formal incomes policy.

Stage three of the last government's series of controls showed that Labour's hopes of a range of varying-sized settlements being conceded to give an overall rise in line with a maximum figure were dashed when the target quickly became the norm.

Union opposes ACAS change

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT'S proposals for labour law reform, particularly the suggested changes in a trade union recognition procedure, were strongly opposed yesterday by the Engineers' and Managers' Association, which has been involved in many crucial recognition cases.

Delegates at the union's conference at Bournemouth overwhelmingly carried an emergency motion opposing the working paper issued by the Department of Employment.

The Government proposal to review the union recognition procedures of the Employment Protection Act was seen by the conference as a weakening of the responsibility laid on the Advisory Conciliation and Arbitration Service by the Act to promote the development of collective bargaining.

Mr. Peter Fairley, for the executive, said that the threat to the recognition procedures meant that if the proposals were adopted unions would have no means of securing recognition except by industrial action.

It has been made clear by ACAS that some judicial decisions over recognition work that have been challenged in the courts have caused it to be anxious about its ability to operate the recognition procedures as they now stand.

However, Mr. Fairley said: "We believe that rather than allowing ACAS to opt out of the recognition problem because it is too difficult and shows

ACAS in a bad light, ACAS should be given the power and authority of the job it was set up to do."

The first reform should be to compel employers to cooperate with ACAS's efforts to ascertain the opinion of workers in recognition cases.

Trade unions should have a legal right to be recognised without having constantly to take recourse to the courts.

Political votes shunned

THE ENGINEERS' and Managers' Association, which represents 46,000 professional and senior engineering staff, yesterday drew back from a move designed to take the traditionally apolitical union into the wider field of political trade unionism, writes Philip Bassett.

The conference rejected the wishes of its executive that the union and in particular its TUC delegates be allowed to discuss and vote on "general political questions in which the EMA membership has a legitimate interest."

The moderate EMA, which is not politically affiliated, has abstained at the TUC on issues like this year's Congress debate about Labour Party democracy or last year's about the return of a Labour Government, and on such subjects as international affairs, the EEC, and the media.

Delegates rejected an attempt to merely tone down the motion forwarded by the Electrical Power Engineers' Association, the largest constituent group in the union, by taking out the most contentious section of it on wider political involvement.

They rejected the whole motion, though not by a large majority. Officials are convinced that the issue is likely to resurface at the union's next conference in two years. After the constituent groups have been able to fully consider the move.

Clegg award 'leaves many on low pay'

THE CLEGG Commission's pay award to 1m local government manual workers in August gave them percentage pay increases above the average for the year. But a high proportion of the group remains on low pay, according to a report on the settlement.

A study of the local government manual workers' pay settlements by Incomes Data Services argues that the percentage increases won by the group were comparable to those of other workers between 1970 and 1978. But one-fifth of full-time male workers were on low pay, twice the national average.

The Clegg report strengthened and confirmed existing links between local authorities' pay and that of National Health Service auxiliary workers. It also made differentials within the group wider.

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NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of November 1, 1968, under which the above-designated Debentures are issued, \$1,439,000, aggregate principal amount of such Debentures of the following distinctive numbers has been selected for redemption on November 15, 1979 (hereinafter sometimes referred to as the redemption date):

Table with 2 columns: Debenture Number and Amount. Lists various numbers and their corresponding values for redemption.

The Debentures specified above are to be redeemed from the Sinking Fund (a) at the Multi-National Bond Agency Services Department of Citibank, N.A. (formerly First National City Bank), Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Brussels and Citibank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on November 15, 1979, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest from November 1, 1979, to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue. Upon presentation and surrender of such Debentures with the November 1, 1980 coupon, payment of principal plus accrued interest aggregating \$1,002.72 for each \$1,000 Debenture will be made out of funds to be deposited with the Trustee.

The amount of any missing unmaturing coupons will be deducted from the sum due for payment. Transocean Gulf Oil Company By: CITIBANK, N.A. as Trustee

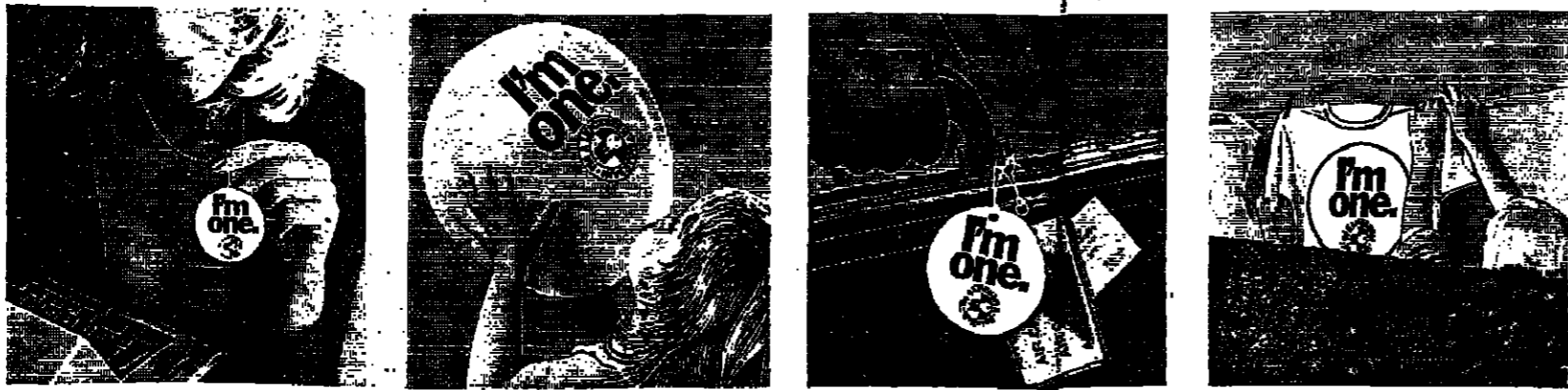
October 15, 1979.

NOTICE The following Debentures previously called for redemption have not as yet been presented for redemption.

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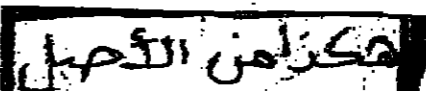
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حکومت المملكة المتحدة

The Application List for the Ordinary shares now offered for sale will open at 10 a.m. on Thursday, 18th October, 1979 and will close at such later time on the same day as County Bank Limited may determine. Copies of this Offer for Sale, having attached thereto the documents specified below, have been delivered to the Registrar of Companies for registration. Application has been made to the Council of the Stock Exchange for the whole of the issued Ordinary share capital of Link House Publications Limited ("the Company") to be admitted to the Official List. This document includes particulars given in compliance with the Regulations of the Council of the Stock Exchange for the purpose of giving information with regard to the Company. The directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the directors accept responsibility accordingly.

Link House Publications Limited



Offer for Sale
by
County Bank Limited



3,000,000 Ordinary shares of 20p each at 125p per share payable in full on application

The shares now offered rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

Share Capital

Issued and fully paid in 15,000,000 Ordinary shares of 20p each

Authorised £3,000,000 £2,400,000

Indebtedness

At the close of business on 21st September, 1979 the Company and its subsidiaries ("the Group") had outstanding an interest free unsecured loan of £1,690,342 repayable on demand from the liquidator of Link House Holdings Limited and the contingent liability referred to below in Note 7 (2) to the Net Assets statement in the Accountants' Report and also in the paragraph headed "Agreement with Southernprint". Save as aforesaid and apart from inter-company indebtedness, at the close of business on 21st September, 1979 the Group had no loan capital outstanding or created but unissued, and no outstanding mortgages, charges, borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities.

SELECTED INFORMATION

The information set out below should be read in conjunction with the full text of the Offer for Sale on the terms of which alone applications will be accepted.

- The Group is engaged in the business of publishing advertising periodicals, magazines and books. It currently publishes 4 advertising periodicals, 24 magazines, 15 annuals and has approximately 700 books in its lists.
- The trading results for the five years ended 30th June, 1979 were as follows:—

Year ended 30th June	Turnover £'000	Profit before taxation and extraordinary items £'000
1975	8,680	749
1976	9,959	1,022
1977	11,882	1,356
1978	14,562	2,025
1979	18,182	3,029

- The net tangible assets of the Group as shown in the audited consolidated balance sheet at 30th June, 1979 amounted to £2.7 million.
- At the Offer for Sale price of 125p per share the total value of the issued share capital is £15.0 million.
- On the bases set out below in the paragraph headed "Profits", at the Offer for Sale price the Company would be valued on an historic price earnings ratio of 10.58.
- On the bases set out below in the paragraph headed "Dividends" the proposed dividends would be covered 1.69 times and would represent a gross yield of 8.0 per cent. on the Offer for Sale price.
- The directors view the future with confidence. They consider the Company to be in a strong position within its industry because of the specialist nature of its publications. The Company's financial strength together with cash generating nature of its business should ensure that the management's expertise in identifying areas in which to expand by launching and acquiring additional publications is fully exploited.

Directors

Gregory Conway Burt (Chairman)
Robert Rogers House, New Orchard, Poole, Dorset BH15 1LU.
Ronald John Wynn (Chief Executive)
Robert Rogers House, New Orchard, Poole, Dorset BH15 1LU.
Andrew Walter Isaac, LL.B. (Vice Chairman)
Robert Rogers House, New Orchard, Poole, Dorset BH15 1LU.
Walter Thomas Isaac, O.B.E. (Non-Executive)
Robert Rogers House, New Orchard, Poole, Dorset BH15 1LU.
Group Captain John Edward Bore, O.B.E. (Non-Executive)
Robert Rogers House, New Orchard, Poole, Dorset BH15 1LU.

Secretary and Registered Office

Alfred Harry Coy, A.C.I.S., A.S.C.A.
Robert Rogers House, New Orchard, Poole, Dorset BH15 1LU.

Auditors and Reporting Accountants

Dixon Wilson & Co. Chartered Accountants,
Gillett House, 55 Basinghall Street, London EC2V 5EA.

Brokers to the Company

de Zoete & Bearn
25 Finsbury Circus, London EC2M 7EE
and The Stock Exchange.

Solicitors to the Company

Denton Hall & Burgin
3 Gray's Inn Place, Gray's Inn, London WC1R 5EA.

Solicitors to the Offer

Herbert Smith & Co.
Watling House, 35/37 Cannon Street, London EC4M 5SD.

Bankers

National Westminster Bank Limited
217 Strand, London WC2R 2AS.

Registrars and Transfer Office

National Westminster Bank Limited
Registrar's Department, PO Box 82,
37 Broad Street, Bristol BS99 7NL.

The following information concerning the Group has been received by County Bank Limited from the directors of the Company:—

The Company is one of the leading publishing houses in the United Kingdom. Its publishing activities fall into three distinct areas: advertising periodicals; consumer, trade and professional magazines and annuals; and books. Each of these activities is carried out through a separate trading division.

HISTORY

The oldest and best known publication of the Company is the weekly advertising periodical *Exchange & Mart* which was first published by a Mr. Thomas Davids in 1868. It then consisted of 4 pages and cost 1d. It was established to provide a medium between seller and buyer, and at a very cheap rate to enable anyone who wishes to dispose of any article, either by exchange or by sale, to do so to the very best advantage. Today it is the largest selling all-advertising periodical of its type in the United Kingdom, comprising some 200 pages and containing approximately 18,000 advertisements per issue in its southern edition.

The magazine side has its origins in a weekly publication called *Cage Birds*, first published in 1893 by Mr. Frederick Carl, operating from premises in Wine Office Court, London. Following the publication of a further magazine, *Poultry World*, in 1908, Mr. Carl transferred his magazine interests to a limited company, Poultry Press Limited, from which the present Company is derived. In 1926 the business acquired the right to the title *Exchange & Mart*; when it purchased the issued share capital of The Bazaar Exchange and Mart Limited.

In 1933 the late Mr. Walter Isaac, grandfather of the present Vice Chairman, and Mr. E. T. Burt, father of the present Chairman, purchased the business and between 1933 and 1939 expanded it by introducing a variety of publications, some of which are still published today. It owned and was actively involved in the running of the Caravan Club from the late 1930s until the end of 1959, and during that period made its first venture into exhibitions with the International Handicraft Exhibition, later known as the Do it Yourself Exhibition.

The magazine side of the business was strengthened by the acquisition of Heathcock Press Limited in 1962 and Blandford Press Limited in 1967. The acquisition of Blandford also substantially enlarged the existing book publishing activities.

Over the years the business had acquired various property interests. On 29th December, 1978 a reorganisation took place under which the publishing interests and certain of the property interests were separated and transferred respectively to two new companies, the Company and Poole Properties Limited ("Poole Properties"), each then having the same shareholders. Under the reorganisation £2 million in cash, principally to re-build Link House, Poole, was also transferred to Poole Properties and the former holding company, Link House Holdings Limited, was placed in members' voluntary liquidation. Poole Properties and its two subsidiary companies, Buris Limited and Buris Warehouse Limited, are not therefore now part of the Group and certain properties previously owned and operated by the business are now leased to the Company by subsidiaries of Poole Properties. Three directors of the Company, Mr. R. J. Wynn, Mr. W. T. Isaac and Group Captain J. E. Bore are also directors of Poole Properties.

BUSINESS

The Company's principal activities are split into three trading divisions. Advertising Periodicals Division, Magazines Division and Book Publishing Division. Each division is managed and operated by a subsidiary company. In the year to 30th June, 1979, the contributions of the respective trading divisions in terms of turnover and contribution to operating profit were as follows:—

	Turnover £'000	Contribution to operating profit £'000
Advertising Periodicals Division	9,148	3,600
Magazines Division	7,597	804
Book Publishing Division	1,437	175
	18,182	4,579
Deduct: Group unallocated overheads		1,665
Net operating profit		2,914

Printing Policy

It is the Company's present policy not to own or operate printing plant and equipment and consequently all books and magazines published by the Company are printed independently under contract.

Sources of Circulation and Readership Figures

In common with other major publishers, the Company is a member of the Audit Bureau of Circulations Limited ("ABC"), a company limited by guarantee, whose primary function is the certification of audited circulation figures. All circulation figures quoted in this document are the latest available ABC figures and represent the average circulation per issue during the periods stated.

In addition, a number of the Company's publications are included in the readership survey carried out by the Joint Industry Committee for National Readership Surveys

("JICNARS"). In order to qualify for regular inclusion in the surveys, a publication should meet certain minimum circulation and readership requirements, one of which is sales in the United Kingdom in the region of 100,000 copies per issue. All readership figures quoted in this document are as recorded in the survey for the year to June 1979, represent the average readership per issue in that period, and are the latest available.

The Company is at present represented on the Council of ABC and the appropriate committee of JICNARS.

Advertising Periodicals Division ("APD")

The business of APD, which is based in Poole and managed and operated by Exchange and Mart Publishing Limited, is the publishing of all-advertising periodicals, that is periodicals with minimal editorial content. The 4 publications of APD are as follows:—

Exchange & Mart is a weekly publication carrying a very wide range of classified and display advertisements from trade and private sources. It is the best known and largest selling all-advertising publication of its type in the United Kingdom and is the pre-eminent magazine of the Company. The latest circulation and readership figures per issue are as follows:—

Circulation (ABC January to June, 1979)	340,601
Total Readership	2,608,000
Readership as a percentage of United Kingdom population over 15 years of age:—	
Male	9.7%
Female	2.9%

Exchange & Mart is published in two editions, North & Midland, and South. Over the past five years the average size of the two editions has increased from 124 pages to 136 pages and 166 pages to 200 respectively. A single-run edition of *Exchange & Mart* currently has a maximum production size of 160 pages and the southern edition achieves its extra size by having its popular motoring section as a separate pull-out within the main edition.

Exchange & Mart has been printed for 39 years by Southernprint Limited ("Southernprint"), a subsidiary of Southern Newspapers Limited, and its predecessors. Southernprint is based in Braoksome, Dorset, conveniently close to the Company's offices in Poole. The Company has an excellent working relationship with Southernprint, a company which has had a good industrial relations record over a long period.

In view of the special production requirements of *Exchange & Mart*, computer typesetting techniques have been adopted using specialist equipment. To ensure continuity of production and to enable Southernprint to provide the necessary equipment, the Company has entered into an exclusive agreement with Southernprint which expires in 1997 for the printing of *Exchange & Mart*. Further details of this agreement are set out below in Note 7 (2) to the Net Assets statement in the Accountants' Report and also in the paragraph headed "Agreement with Southernprint".

Exchange & Mart is the Company's largest paper user. In the year to June 1979 it used approximately 5,700 tonnes. The main supplier is Bowater Limited.

Industrial Exchange & Mart is a weekly publication carrying classified and display advertisements in the industrial and commercial markets. It was founded and first published by the business in 1975. The layout is similar to *Exchange & Mart* and it is published as one edition only, currently comprising between 40 and 56 pages.

Opportunities is a weekly publication carrying advertisements of job opportunities in the public services. The title was acquired by the business in 1971, having been first published in 1963. *Opportunities* is an established recruitment periodical for public service appointments and carries more advertisements than any other publication of this type. Its size currently ranges between 20 and 40 pages.

Automart is a weekly publication carrying display and classified motoring advertisements from trade and private sources in the Greater London area. The business acquired the title in October 1978. It is produced in a tabloid form and the presentation is similar to that of *Exchange & Mart*. Since its acquisition the number of pages per edition has increased from 20 to 48. *Automart* is currently conducting a London area advertising campaign for which substantial expenditure has been budgeted.

The income of APD is derived from sales of advertising and sales of copies of the periodicals. Overall, approximately 80 per cent. of APD's revenue is currently derived from advertising. The main advertising sales operations are based at Croydon to meet the need for ready access to London-based clients and advertising agencies.

In addition to the regular postal, telephone and personal collection of advertisements APD has established 4 "Small Ad Centres" where advertisements are personally delivered by clients over the counter. These centres are situated in busy shopping precincts in Greater London and have proved successful in providing an efficient service for motor dealers. The centres also help to ensure the receipt of advertisements in the event of postal disruption.

Exchange & Mart and *Automart* are sold direct to wholesale newsagents, W. H. Smith, John Menzies and Sunrise Dawson account for a substantial proportion of sales. *Opportunities* and *Industrial Exchange & Mart* are controlled circulation periodicals, that is publications distributed free or on subscription to defined categories of individuals and companies selected to meet the requirements of advertisers. Additionally a small number of copies of *Industrial Exchange & Mart* are sold through newsagents.

In common with the other divisions of the Company, printing of APD publications

is undertaken outside the Company. Contracts are short term except in the case of *Exchange & Mart*.

Magazines Division ("Magazines")

Magazines, which is based at Croydon and managed and operated by Link House Magazines (Croydon) Limited, has publishing interests extending across many markets with the emphasis on motoring, do-it-yourself, audio and outdoor pursuits. It currently publishes 24 consumer, trade and professional magazines, almost all of which are monthly, and 15 annuals. The Division is arranged into 6 publishing groups which specialise in particular markets. Each group is under the management of a Publisher or director who co-ordinates the activities of the editorial and advertising departments and is responsible for the circulation and promotion of the magazines within the group. In addition, Magazines also organises exhibitions, including National Custom Car Show and Video Tradex International.

The publishing groups and their principal magazines are as follows:—

The Audio Group produces a range of hi-fi, sound and video magazines. Its principal publications are *Hi-Fi News and Record Review* and *Studio Sound & Broadcast Engineering*. *Hi-Fi News and Record Review* has a net circulation per issue of 30,336 (ABC January to December, 1978). *Studio Sound & Broadcast Engineering* has a controlled circulation among professionals in sound recording.

The Business Publications Group's principal periodical is *Freight News International Weekly* which has a controlled circulation per issue of 21,195 (ABC January to December, 1978).

The Motoring Group comprises a range of car and motor cycle magazines. The two principal publications are *Custom Car* and *Cars and Car Conversions*. *Custom Car's* net circulation per issue has doubled in the last five years to a figure of 143,860 (ABC January to June, 1979) which is the highest certified sale of any motoring magazine in the United Kingdom. *Cars and Car Conversions* has a net circulation per issue of 99,594 (ABC January to December, 1978). Both magazines have been accepted for inclusion in the National Readership Survey by JICNARS for 1979.

The Outdoor Group publishes a number of magazines in leisure markets. It is particularly strong in caravanning with three magazines. *Caravan*, first published by the business in 1938, enjoys a net circulation per issue of 32,011 (ABC January to December, 1978).

The Practical and Collecting Group produces 4 DIY publications, 2 of which are annuals and 2 magazines, including *Do it yourself*. Net circulation per issue of this publication is 113,600 (ABC January to June, 1979) and each issue has a readership in the region of 1.9 million, a higher figure than for any competitor. Among this group's other publications, *Stamp Magazine* is a particularly profitable contributor with a net circulation per issue of 38,053 (ABC January to June, 1979).

The Annuals Group publishes a number of guides, directories and reference works including *Caravan Sites*, *Camping Sites in Britain* and *Coins Market Values*.

The two main sources of revenue for Magazines are advertising and copy sales. The proportion which these bear to each other varies from magazine to magazine. Overall, approximately two thirds of Magazines' revenue is derived from advertising. Advertising space is marketed by the individual magazines and sold either direct to clients or to agencies. The Division's magazine sales organisation is centralised and publications are sold through the same channels as APD's periodicals. A limited proportion of the total magazines are sold on a sale or return basis.

Currently twelve different printers are used and a printer will, in general, retain a contract for a number of years.

Book Publishing Division ("Blandford")

Blandford, which is based at Poole and managed and operated by Blandford Books Limited, has a range of approximately 700 hard-back non-fiction titles in its lists, a small number of which are also available in paper-back form. Approximately 18 per cent. of the titles are in the field of natural history; military and transport titles are also featured strongly. Blandford has established a high international reputation in the industry, particularly as a result of its colour series.

The lists referred to above include titles whose United Kingdom selling rights have recently been obtained from United States publishers: 32 from the Butterick Publishing Co. Inc. and 104 from Grosset & Dunlap Publishing Co. Inc.

No author is tied exclusively to Blandford. Many are leading writers within their respective fields and the large number of titles in the catalogue by certain authors is a reflection of the success of the combination of author and publisher. Royalties paid to authors are at varying rates. Blandford also purchases selected rights to produce books originally published overseas and publishes books which have been prepared to printing stage by third parties.

Blandford uses a variety of major printers, selected to suit the particular title and production requirements. Stocks of finished books are held in the purpose-built warehouse in Poole, operated by Buris Warehouse Limited, a subsidiary of Poole Properties.

MANAGEMENT AND STAFF

Directors

Mr. G. C. Burt, aged 56, is the Chairman of the Company and also Chairman of Blandford Books Limited. He joined the business in 1946, becoming a director in 1955. He is also a Director of the Periodical Publishers Association Limited.

Can we afford to throw away a third of our defence budget every year?



The British defence budget was £6,000 million last year. Another £2,000 million would double the size of the Army, or treble the number of nuclear submarines.

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THE MANAGEMENT PAGE

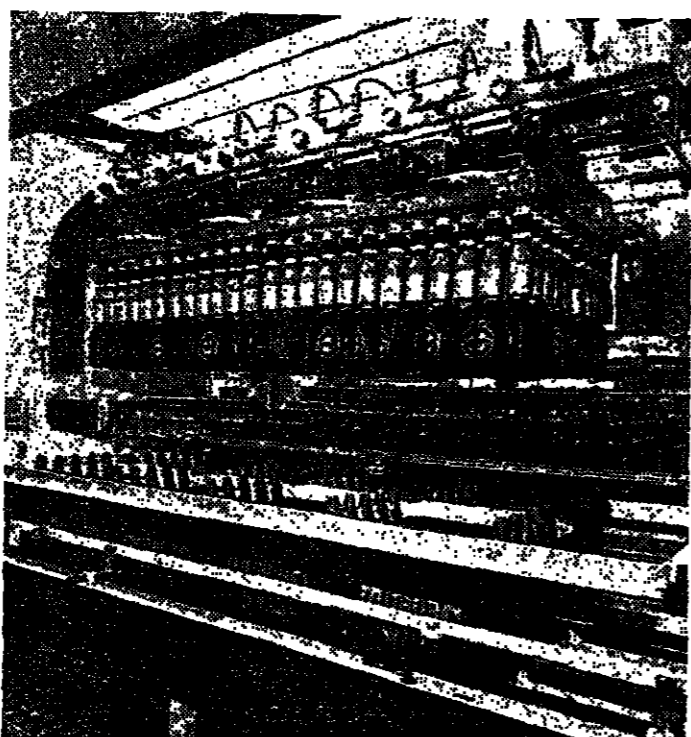
EDITED BY CHRISTOPHER LORENZ

Hilary Barnes reports on a trend-setting brewery which has increased productivity and reduced manning levels

Danes go for a quiet beer

THE NOISIEST part of the bottling lines at Carlsberg-Tuborg's new Danish brewery opened in spring this year, are the extractors in the drying plant. Anyone who has tried to hear himself think in a conventional brewery will appreciate that the Fredericia Brewery's bottling lines represent a radical improvement in working conditions.

This attention to the working environment, and willingness to spend considerable sums of money on it, are typical of the philosophy behind the construction of the Kr 412m (981m) brewery, on Jutland's east coast: its working environment has received just as much attention as improvements in productivity.



The packing plant at Carlsberg-Tuborg's new brewery at Fredericia. Elimination of bottlenecks has reduced the noise level to below the legal minimum.

Arguments

Carlsberg-Tuborg — officially known as The United Breweries — have until now been based in Copenhagen. But the site is too restricted for sizeable expansion, and there were other logistical arguments for placing the new brewery in Jutland, where 50 per cent of domestic sales are made.

The brewery is exclusively a production unit; sales and marketing functions remain in Copenhagen.

It produces only two brands of beer, the Carlsberg and Tuborg pilsners, which account for about 75-80 per cent of the domestic beer market. As part of the simplified production process, the bottles are sent from the brewery in identical bottles (the labels are different of course) and in identical plastic crates.

The initial capacity of the Fredericia Brewery is 1.1m hectolitres a year, which adds

about 15 per cent to United Breweries domestic capacity. It is envisaged that this will double fairly quickly, and the site provides for a possible extension to 5m hectolitres a year.

Fredericia is part of a wider plan for modernising the facilities at the company's breweries; this includes the temporary taking out of service of older plants in Copenhagen.

Productivity at Fredericia is much higher than in the Copen-

hagen plant. Output per man/year at Fredericia is about 6,000 hectolitres against about 1,200 in Copenhagen. This puts Fredericia in line with other new breweries in Europe, according to the management, but a long way from the most productive. North American breweries, where an output of 13,000 hectolitres per man/year is achieved. This is because European beer tends to mature for longer and needs more storage space, whereas in the U.S. throughput is at a much faster rate and the process is more automated.

Fredericia's productivity was not achieved without a battle with the unions. The company wanted 134 employees at Fredericia. The brewers' union wanted 730. The compromise agreement was 168. The Brewery Workers' Union, which is dominated by the Copenhagen employees of the United Breweries, tried to stop the agreement, but when, in May, it was put to a national vote there was a substantial majority for the Fredericia manning deal.

This was somewhat surprising as the union had made a major effort to persuade workers to throw out the deal.

Three factors seem to have influenced the vote. It provided an opportunity for the provincial members to rap the Copenhagen brethren over the knuckles. The employees at Fredericia, all locally hired, were satisfied with the deal they were getting. And as even 48 per cent of the Copenhagen vote favoured the manning agreement, it seems that there was a widespread understanding of the pointlessness of the negotiators' action, especially as United Breweries exports about a quarter of its beer and depends on its competitiveness.

Reduction of the noise level was a major part of the deal. In older breweries, the decibel count can rise to 110 or more

—the legal maximum in Danish factories is 90. At Fredericia the target of a maximum of 85 at any one point was achieved.

The essential technique for reducing the noise level is to keep the bottles on the conveyor belt separate, and to slow down the belt so that bottles do not crash into each other at bends or "bottlenecks."

United Breweries hopes that the substantial research effort put into developing the low noise-level lines will give it a head start in marketing the know-how to the rest of the world.

The other major innovation at Fredericia is a system of job rotation and group working. The workforce is split into groups of 10 to 20 people (all jobs are open to men or women; the labour force is half male, half female) and everyone is trained to do at least two or three jobs within his or her area of competence — brewing, administration, bottling, and so on.

The lay-out of the brewery is designed to give each group responsibility for a specific task. This is most clear in the bottling division. So far there are two bottle lines (another two will be added soon). In a traditional brewery these would all be in one large bottling hall. At Fredericia each line has its own hall, which ensures there is no overlapping of functions and responsibilities between the staff of the different lines.

Each group has its own "employee house," a rest house unit with kitchen, dining and shower facilities, as well as a garden area. There are five employee houses, for the administration and energy supply unit, the brewing unit, one each for the two bottle lines, and one for warehouse and storage personnel.

Tidiness

As the brewery is run by three shifts, each employee section consists of those on the three shifts and each group is responsible for keeping the employee house and garden area in the state of tidiness it prefers.

Even by Danish standards, the facilities strike an outsider as being impressive, and the word seems to have got round. There were over 2,000 written applications for the 168 jobs on offer. Although there is a certain amount of unemployment in Jutland it is not always easy to fill vacancies — bacon factories, for instance, still have difficulty finding workers.

Other aspects of the brewery of which the management is especially proud are the multi-computer concept of production control ("We could make it work with one big one for covering all operations, but it's hell if you have to make a change in the machine," said project manager Jens Due), and the lay-out of the brewing area.

This is a kind of open plan concept, where all points likely to require maintenance, valves, switches, motors, and so on front on to gangways; this is both for easy access and because any faults can be seen by anyone walking through the plant.

An important secondary objective of building the new Fredericia Brewery is to enable United Breweries to sell its expertise. With five Carlsberg breweries operating abroad and 40 more producing Carlsberg beer on licence, export of know-how has become a significant factor in corporate income.

To further this objective the company has established a wholly-owned subsidiary, Danbrew Consult, to offer engineering and technical services, including turnkey projects, on a world-wide basis. Much of Danbrew's expertise is based on the innovative work incorporated into the Fredericia Brewery.

"Lord how my head aches! What a head have I! It beats as it would fall in twenty pieces."
(Romeo and Juliet)

DURING WHAT I humorously refer to as my lunchbreak (doctors are not expected to eat or sleep), I saw a man who said he had migraine.

"Got a shocking head," he said. "Really wicked. Like there's a blacksmith inside. Of course," he added, "I'm used to suffering. It's hereditary, you know. My old dad was a martyr to it. Once a week regularly. Only one treatment worked with him and with me—go to bed in a dark room with a few doses of whisky. So," he went on, holding his head, "As soon as I've got my pay I'll be off home to do the same. OK?"

I did not think it was at all "OK" and I asked him whether his attacks were associated with some dietary indiscretion. He thought about this. "Might be cloves," he opined. "Come to think of it, the two do sometimes go together."

Tenuous

I was puzzled. "Never heard of cloves in connection with migraine," I said. "Besides, who eats cloves, except by mistake in an apple-pie or something similar?" It was the patient's turn to be surprised. "Who said anything about eating?" he asked. "No, I put them in my rum; very medicinal, so my dad used to say."

At this point I began to see a tenuous hereditary angle. I questioned him and elicited the information that he had been at a "little celebration" the night before. "Didn't drink much, though," he said. "Wasn't feeling too sharp, so I only had 10 or 11 pints plus my rum and clove chasers. Interesting that you should think it was the

EXECUTIVE HEALTH

Little medicine for merciless migraine

BY DR. DAVID CARRICK



cloves. Kind of allergy, is it?" I did not think so. I felt little sympathy for the results of his bizarre excesses and told him that his "migraine" was a well-deserved hangover, a comment that made him tell his friends how unsympathetic I was, which was about the most accurate diagnosis he had made.

True migraine is a dolorous, debilitating disorder which is said to afflict some 5m people in the UK, causing much

distress to the victims and a great loss of time and effort to the nation.

There are many causes for headaches, varying from tension to typhoid, but classical migraine obeys certain criteria. Attacks are periodic but irregular, and are usually accompanied by nausea and vomiting. Visual disturbances frequently precede and accompany attacks. Usually the pain starts over one eye and spreads backwards, becoming more severe as it involves half the head—hence the old name "hemicrania".

The condition is exacerbated by noise and light, and sometimes the outer halves of the visual fields are temporarily lost. Other visual disturbances include flashes of brilliant light and, perhaps, the strange zig-zags of light which make up the well-known "fortification" pattern. Vertigo occurs in some patients and a few experience tingling in the tongue and even transitory loss of speech. Pain may spread from the head into the neck and arm on the same side. The patient is pale, sweats profusely and is intolerant of light and noise. The disorder may last from a few to 24 hours.

Migraine is rare before puberty and is unlikely to start after the second decade. Women tend to be affected more than men but gradual improvement often occurs after the menopause. Late middle-age similarly

brings relief to male sufferers. There is an hereditary tendency. Nobody really knows the cause, but predisposing factors include: hormonal disturbances (as with the menses); travelling and the fear of it; tension headaches due to fibrositis; possibly allergic factors; and other dietary errors; and flickering strip-lights, television, etc.

Prevention is difficult unless the patient receives adequate warning, such as visual aura, or known trigger-factors. In such cases certain drugs are often successful. In established attacks, however, quietness, darkness, pain-killers and the old remedy, ergotamine tartrate, are still the treatments of choice. But understanding the disorder requires research and that demands money. My dismay at the closing of the Princess Margaret Migraine Clinic for lack of funds has been alleviated at the news that the clinic has now become part of the Department of Neurology in the Charing Cross Hospital.

Hard-up

Needless to say, the organising body, the Migraine Trust, of 45 Great Ormond Street, is as hard-up as the rest of medicine; and the director, Derek R. Mullis, is as ready to receive help as to proffer advice to the unhappy victims of a melancholy malady.

One last point. Is it true that only intelligent people have migraine? I do not know as such. But if the victims believe it, then perhaps it compensates just a little for their distressful debility.

A selection of Dr. Carrick's past articles on various health topics has recently been published by Bay Books, under the title of Executive Health. Price £4.95.

When in China . . .

BY JASON CRISP

IF YOU are among the hordes travelling to China in search of business, or pleasure for that matter, whatever you do don't forget to take some glue. Otherwise you will have problems writing home because for some inscrutable reason the Chinese don't put any adhesive on their stamps or air-mail "stickers."

You would also be better off leaving your credit cards behind (they are not accepted there yet) and substituting them for a roll of loo paper, something you are likely to be very glad of on a long train journey, especially if you are a bacon addict.

These little, but nevertheless essential, tidbits of information can be gleaned from the latest data-file from Employment Conditions Abroad, published this

week. China is the 74th country the ECA has examined.

It warns that life in China for the Western businessman can be hard. "The climate is harsh; social and recreational activities extremely limited, and the regimen for those prone to stomach disorders can call for your own personal medical kit."

Obviously with this in mind, it advises that parties of eight to 12 need to order their meals at least 12 and preferably 24 hours in advance. Then it adds: "And stipulate if you don't

want sealugs as a delicacy."

When you have finished your meal do not tip the waiter. Tipping is strictly forbidden, although it is usual to thank waiters and hotel staff for their services when you are leaving.

The 40 page report includes a synopsis of Chinese history and geography, details on the Government and economy, public services and social customs, education, health, education and housing.

ECA describes the country as a land of business opportunity

and says its major problem is how to feed its 1bn people. Government policy is to allow joint ventures in which foreign companies are required to invest not less than 25 per cent of the registered capital.

On the subject of protocol it advises the businessmen that you can use "China" informally in conversation instead of the correct, "The People's Republic of China," but warns, "under no circumstances should China be used with a qualifying adjective which might suggest there is another China."

The report is available to subscribers to Employment Conditions Abroad (from £20 a year) at Devonshire House, 13, Devonshire Street, London W1N 1FS.

ALCOHOLISM a problem for the caring employer

More and more employers are coming to recognise how alcoholism and drinking difficulties can seriously affect business and production efficiency, as well as causing personal distress.

The Newington Unit has been established to meet the needs of men and women in industry who suffer from any drinking difficulty. The unit's approach is educative, enabling patients to understand the reasons behind their drinking. It also offers specialist medical and psychiatric treatment from a team of highly qualified professionals at Titchhurst House in Sussex.

In-Company Seminars

The Newington Unit is also in a position to organise in-company seminars to discuss the assessment and treatment of drinking difficulties in an employment context. These seminars can be specially designed to meet the needs of individual companies, so that all relevant issues can be discussed in a relaxed and constructive way.

Please send me details on The Newington Unit In-Company Seminars. Please tick box applicable.

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This advertisement appears as a matter of record only

Disastrous 17 1/2% pay norm ahead

BY SAMUEL BRITTON

THE MOTTO of British Government seems to be: "Any pay policy disaster our predecessors can bring about we can arrange better."

THE MOTTO of British Government seems to be: "Any pay policy disaster our predecessors can bring about we can arrange better."

Departure point

Where the public authorities meet wage bills directly, some idea of a going rate of earnings increase is indeed required—as a point of departure for spending authorities to adjust up or down in relation to the supply and demand for workers.

Set pieces

Of course this will be treated by union leaders as a minimum. The Government will have to undertake set-piece battles for 17 1/2 per cent and in some cases will be defeated.

A sympathetic hearing for consumer groups

CONSUMER GROUPS are not unlike trade unions, in that they take up cudgels on behalf of their members to oppose the economically powerful. But they lack the essential legal privileges of trade unions in combating big business, and their legal rights to take action in the courts are often restricted.

Thames Regional Health Authority also revealed in a letter to the chairman that there had been another reason for deciding that there was no duty to consult, namely, that the closure had been planned and discussed for some time.

THE WEEK IN THE COURTS

BY JUSTINIAN

On this interpretation of the duty to consult, the judge ruled that the Commissioners had misdirected themselves. He also held that the Commissioners were wrong to conclude that closure was not a substantial variation in the health services.

Outstanding Topsy can win the Champion for Newmarket

ALTHOUGH the Flat season is rapidly drawing to a close, some fascinating races have yet to be run. Few would argue that Newmarket this week offers some of the best racing of the whole season.

RACING

BY DOMINIC WIGAN

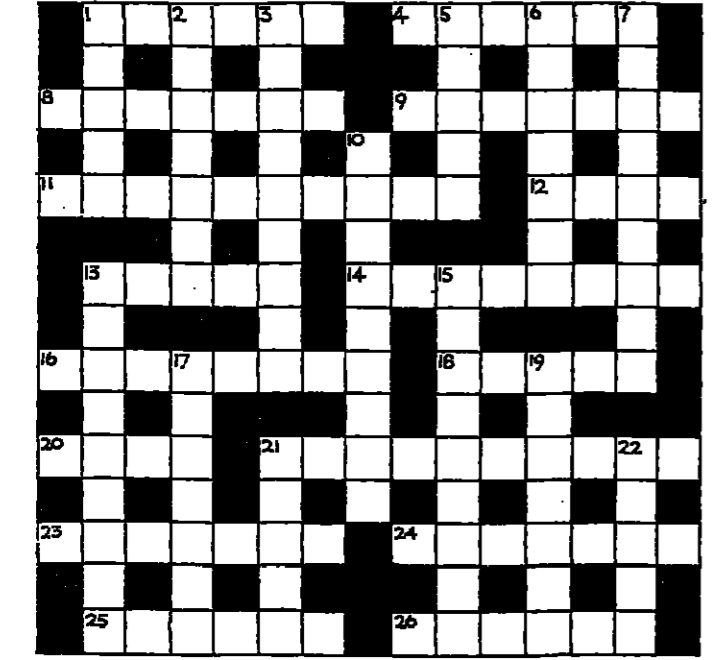
Champion Stakes, the Dewhurst, the Challenge Stakes, the Cesarewitch, the Sommerville Tattersall Stakes and the Houghton Stakes.

Harry Wragg has been adamant for some time that Topsy will give Newmarket yet another Champion Stakes winner. The Habitilly filly swept aside her opponents in the Sun Chariot Stakes, and it is easy to understand his confidence.

TV/Radio

- 5.40 News. 5.55 Nationwide (London and South East only). 6.30 Nationwide from Belfast. 6.55 Angels. 7.20 The Rockford Files. 8.10 Panorama. 9.00 News. 9.25 The Monday film: "For the Sake" starring Barbara Streisand.

F.T. CROSSWORD PUZZLE No. 4099



- ACROSS: 1 Leave Heath to return round the standard (6). 2 Sensitive proposal (6). 3 In any surroundings a car has body (7).

- Wales. 5.55-6.20 Wales Today. 6.55 Heddidi. 7.15 Angels. 7.49-8.18 A Wedding is Arranged (two-day celebration of a Sikh wedding). 11.50 News and Weather for Wales.

Radio Wavelengths

- 1 105.3kHz/27fm 2 108.9kHz/27fm 3 200kHz/1500m 3 92.5kHz/33fm 4 121.5kHz/247m 4 90-92.5kHz stereo

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

There is a limited amount of advertising space available each month if your company is interested in taking advantage of this offer please contact:

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FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 30th SEPTEMBER, 1979



The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues...

Eurobonds in September

BY FRANCIS GHILES

Fears of currency unrest dominated the eurobond markets in September, as so often before...

Floating rate note issues had a good month: they are fast becoming a major sector of the eurobond market...

being introduced, the latest of which was initiated on an FRN for Sweden arranged by Credit Suisse First Boston...

rate over the mean of the three month bid and offered interbank rate. The bond will convert into a 9 per cent bond...

possible that the yield structure for intermediate Eurodollar triple "A" sovereign paper could be quite different...

They would have preferred to see the standard yield measurement in the case being the creation of a medium/long term Eurodollar bond index...

Convertible were among the new issues which did well last month, especially if they were for Japanese names.

feature which made such instruments virtually irresistible.

As always when the dollar is under a cloud, bonds denominated in harder currencies attracted good investor demand.

At times prices in this sector weakened a little as coupons were cut too sharply as a result of strong investor demand.

The sharp rise in the Tokyo stock exchange, the gambling on a rise of the Yen helped. More important was the inclusion in these convertibles of an early redemption at a premium.

which the big German bank had been offering in small quantities to central banks.

The steady absorption of new D-Mark issues was helped by the high quality of many of the borrowers: prime European and sovereign names always find ready buyers.

Guilford bonds also attracted good demand especially at the beginning of the month: yields on such bonds are much higher than of D-Mark bonds...

The Swiss franc sector had an uneventful but good month: a steady flow of new issues was easily accommodated and dealers reported greater interest from abroad...

CONTENTS

Table with columns: GROUP HEADINGS, PAGE, GROUP HEADINGS, PAGE, GROUP HEADINGS, PAGE. Lists various bond categories and their page numbers.

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Creditanstalt-Market Makers in Austrian Schilling Bonds and International Bonds of Austrian Issuers.

Table of Selected Austrian Schilling Bonds with columns: maturity up to 5 years, Middle market price (1.10.79), Yield to average life, Current Yield, Redemption (MD: Mandatory Drawings by lot, PF: Purchase Fund, SF: Sinking Fund).

Table of maturity over 5 years with columns: Middle market price (1.10.79), Yield to average life, Current Yield, Redemption (MD: Mandatory Drawings by lot, PF: Purchase Fund, SF: Sinking Fund).

Table of Selected International Bonds of Austrian Issuers with columns: Middle market price (1.10.79), Yield to average life, Current Yield, Redemption (MD: Mandatory Drawings by lot, PF: Purchase Fund, SF: Sinking Fund).

For current prices and further information please contact: For Austrian Schilling Bonds: Robert Jekl, Robert Wasinger (Telephone: 6622/1701, 1707, Telex: 74261-63) For International Bonds: Walter Vogl (Telephone: 6622/2222, Telex: 136948)

Code for Reuter Monitor Securities Program: CA DA, CA DB



Creditanstalt Creditanstalt-Bankverein, Schottengasse 6, A-1010 Vienna.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-ALGERIA, US DOLLARS-ARGENTINA, and US DOLLARS-AUSTRALIA.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-BELGIUM, US DOLLARS-BRITAIN, and US DOLLARS-CANADA.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-GERMANY, US DOLLARS-ITALY, and US DOLLARS-JAPAN.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-NETHERLANDS, US DOLLARS-NORWAY, and US DOLLARS-SPAIN.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-SWEDEN, US DOLLARS-SWITZERLAND, and US DOLLARS-TURKEY.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-UNITED STATES, US DOLLARS-NEW ZEALAND, and US DOLLARS-SOUTH AFRICA.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-INDONESIA, US DOLLARS-PHILIPPINES, and US DOLLARS-THAILAND.

Table with columns: COUNTRY, SECURITY, PRICE, YIELD, etc. Includes sections for US DOLLARS-TAIWAN, US DOLLARS-HONG KONG, and US DOLLARS-SINGAPORE.

Handwritten signature or stamp at the bottom right of the page.

Financial Times bond market data tables for various countries including US Dollars, UK Pounds, and others, listing bond issues, yields, and prices.

The story behind marketmaker nr. 611

The story behind Marketmaker 611 is the story of Rabobank. After more than 80 years of steady growth, Rabobank occupies one of the most prominent positions amongst the leading banking organisations in Holland.

With a strong agricultural background, Centrale Rabobank heads a cooperative banking organisation with 3100 offices and a combined balance sheet total exceeding 74 billion Dutch guilders in (approx. US \$ 37 billion) 1978.

Rabobank also continuously extends its activities

internationally, and is now operating as Marketmaker 611, in Dutch Domestic Bonds and Euro/guilder notes.

Considering the number of issues, in which Marketmaker 611 is quoted in the ABID Quotations and Yields, it might be very worthwhile to get in touch with the "Dutch Masters in Banking".

Rabobank is also a contributor to the Reuters Monitor System under page code RABAB.

Centrale Rabobank Holland, Keizersgracht 604, 1017EP Amsterdam, Tel. (020) 252051, Trading (020) 252313, Telefax (020) 10161.

Rabobank Dutch Masters in Banking



Austrian Quotes Quotations and Yields of Austrian Eurobonds

Table of Austrian Eurobonds with columns for Issue, Coupon Dates, Repayment, Price, Current Yield, and Maturity.

(R) Purchase for redemption purposes by issuer possible. The bonds so purchased may be used for repayment according to plan. (...) Repayment at a premium. (G) Government Guarantee. (S) Local Government Guarantee. Yield calculations are based on the middle price.

Market Maker in Austrian Eurobonds

On international capital markets Austria ranks as Triple A. Shrewd investors prize Austrian securities as safe and attractive investments.



On the Austrian capital market Girozentrale Vienna ranks with the leaders - it's the number one in Austria's largest banking group.

Girozentrale Vienna

Manager Securities Trading Department: Kof. VOMACRA, Tel. 72 94 670. Deputy Manager, Eurobond Dept: Merklhof 111, Tel. 72 94 772. Tel.: 02 95 - Eurobond Dept: Merklhof 111, Tel. 72 94 670. Tel.: 02 95 - Austrian Securities Dept: Merklhof 111, Tel. 72 94 670.

Table with columns: IS DOLLARS-DENOMINATED (CONTINUED), VALUE, YIELD, PRICE, etc. Includes entries for 1977, 1978, and 1979 bonds.

Table with columns: IS DOLLARS-DENOMINATED (CONTINUED), VALUE, YIELD, PRICE, etc. Includes entries for 1977, 1978, and 1979 bonds.

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Financial Times Monday October 20 1986

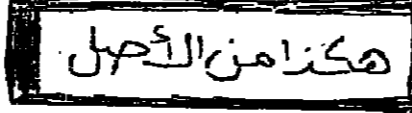
Main financial data table with columns for instrument type, issuer, maturity, and price. Includes sections for US Dollars - Governmental, US Dollars - Floating Rate, and US Dollars - Fixed Rate.

Continuation of financial data table, including Canadian Dollars and Eurodollars sections, with columns for instrument type, issuer, maturity, and price.

Main table containing financial data for various companies, including columns for company name, share price, and other financial metrics.

Continuation of the main table, listing additional companies and their financial data.

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WestLB Euro-Deutschmarkbond Quotations and Yields

Advertisement

Table of WestLB Euro-Deutschmarkbond Quotations and Yields. Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Redemption Date. Rows list various international bonds from countries like Denmark, Argentina, and Australia.

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 7.60% 5 year maturity: 7.65%

Table of WestLB SD Certificates (Schuldschein-Index). Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Redemption Date. Rows list certificates from various countries including Brazil, Canada, and the UK.

Table of WestLB SD Certificates (Schuldschein-Index) - continued. Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Redemption Date. Rows list certificates from countries like France, Germany, and the Netherlands.

Nutshell Survey

... 12 new issues (Volume 1.320 mil.) were absorbed well, mainly due to recent unrest in currency markets ...

Table of Nutshell Survey. Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Redemption Date. Rows list various international bonds from countries like Norway, Sweden, and the UK.

WestLB For current prices and further information call

Contact information for WestLB branches: Düsseldorf, London, Hong Kong, and Westdeutsche Landesbank Girozentrale. Includes telephone numbers and addresses.

Westdeutsche Landesbank Girozentrale Leading Marketmakers in Eurobonds

Table of Westdeutsche Landesbank Girozentrale Leading Marketmakers in Eurobonds. Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Redemption Date. Rows list various international bonds from countries like Greece, India, and the UK.

WestLB Euro-Deutschmarkbond Yield Index

September 28, 1979: 7.37% (August 31, 1979: 7.17%)

Table of WestLB Euro-Deutschmarkbond Yield Index. Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Redemption Date. Rows list various international bonds from countries like Canada, Denmark, and the UK.

WestLB QUOTATIONS AND YIELDS

Footnote explaining the notation for 'Life' and 'Maturity' in years and decimals of years, and how to interpret the yield data.

Continued on Page VIII

Extel's International Bonds Service. Up-dated every week. How up to date is the service you use?

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730 Privatbanken Aktieselskab
735 Skandinaviska Enskilda Banken
750 Union Bank of Finland (Nordiska Föreningsbanken AB)

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805 Credit Suisse / Swiss Credit Bank
880 Swiss Bank Corporation
870 Union Bank of Switzerland

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903 Bank Julius Baer International
905 Bankers Trust International Limited
910 Banque Francaise de Credit International Ltd.
907 Bondtrade
909 Chase Manhattan Ltd.
905 Chemical Bank International Ltd.
911 Citicorp International Bank Limited
912 Continental Illinois Limited

- 914 Credit Suisse First Boston Ltd.
913 Delta Europe N.V.
915 Deltac Trading Company Limited
920 Dillon, Read Overseas Corporation
922 Dominion Securities Limited
923 European Banking Company Ltd.
930 First Chicago Limited
931 Goldman Sachs International Corp.
932 Hambros Bank Limited
933 International International Limited
934 Hill Samuel & Co. Ltd.
935 Kidder Peabody Securities Limited
938 Loeb, Rhoades
939 Kuhn, Loeb Lehman Brothers Inc.
936 Manufacturers Hanover Limited
937 Mayes, Young, Weir International Limited
940 Merrill Lynch, Pierce, Fenner & Smith (Brokers & Dealers) Ltd.
941 Morgan Stanley International
945 Nesbit, Thomson Limited
942 The Nikko Securities Co. (Europe) Central
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Phone: 01-491 4774. Telex: 8811055

JAPANESE DOLLAR DEPOSITARY RECEIPTS

Table with columns: Names, Close at 4.10.79, Names, Close at 4.10.79. Includes entries like Honda ADR, Ito Yokoda EDR, Komatsu Forklift CDR, Kubota, 1 Murata EDR.

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios. Quotations & yields as at 30th September, 1979

SOCIETE GENERALE De BANQUE BANQUE GENERALE De LUXEMBOURG

Table with columns: Fond, 30/9/79, Price, First Issue Price, Yield %, Div. Date, 1/10/78 High, 30/9/79 Low, 1/10/76 High, 30/9/77 Low. Includes entries like Rentinvest, Capital Rentinvest.

WestLB Euro-Deutschmarkbond Quotations (Continued)

Large table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption Date. Lists various Euro-Deutschmark bonds from issuers like South-Air, Stoll, Statensobligationer, etc.

Large table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption Date. Lists various international bonds from issuers like 1966 BANKERS TRUST, 1971 BEATRICE FOODS, etc.

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APPPOINTMENTS INSURANCE WORLD STOCK MARKETS

Dunlop restructures tyre division

The tyre division of DUNLOP'S UK tyre group, is to be progressively restructured into four divisions—replacement, truck, car, and special products and services.

Tax credit and life cover for children

BY OUR INSURANCE CORRESPONDENT

SINCE OCTOBER the holders of qualifying life assurance policies have been paying premiums to insurers, not gross, but net of 17% per cent tax credit.

Indices

Table of stock indices including NEW YORK-DOW JONES, EUROPE, and various regional indices with columns for date, high, low, and change.

Mr. R. (Ray) Ashworth has been appointed director of the BCL Group and managing director of the films division.

Mr. W. L. Goldie, chairman, LAMBERTON AND CO has been elected president of the METAL-FEDERATION FOR 1979-80.

Mr. R. F. (Bob) Kennedy, an executive officer at the Builders' Merchants Federation, has been appointed the first full-time director of the national group.

Mr. Andrew M. Russell has joined the CENTRAL TRUSTEE SAVINGS BANK.

WALL STREET

Table of Wall Street stock prices for various companies, including columns for stock name, price, and change.

What of policies for those under 12? For young children most insurers have always preferred to contract with the parent, to avoid legal capacity problems.

U.S. deal by Bauer The directors of Winn's Stores of Texas have approved the acquisition of the company.

In 1978 Winn's had sales of \$73m and net income of \$1.8m Winn's operates 153 variety stores in 78 Texas cities.

EUROPE

Table of European stock markets including AMSTERDAM, BRUSSELS, SPAIN, COPENHAGEN, VIENNA, GERMANY, CANADA, and SWITZERLAND.

MILAN

Table of Milan stock market prices.

PARIS

Table of Paris stock market prices.

OSLO

Table of Oslo stock market prices.

STOCKHOLM

Table of Stockholm stock market prices.

BRASIL

Table of Brazilian stock market prices.

HONG KONG

Table of Hong Kong stock market prices.

AUSTRALIA

Table of Australian stock market prices.

JOHANNESBURG

Table of Johannesburg stock market prices.

INDUSTRIALS

Table of industrial stock prices from various markets.

NOTES: Overseas prices exclude stamp duty. Belgian dividends are after withholding tax.

Shaky start to U.S. attempt at a social contract

BY DAVID BUCHAN in Washington

"DISASTROUS" was the verdict of some officials of the AFL-CIO trade union federation on the Federal Reserve's latest credit squeeze.

The anger is directed not so much at Mr. Paul Volcker, the Fed chairman, in any event Mr. Volcker is not being bothered. Last Tuesday he told the banking community that his anti-inflation moves were not designed to win him a popularity contest.

What incensed and alarmed some labour leaders was President Carter's explicit endorsement of the Fed's actions, before the ink had barely dried on his September 28 "national accord" with the AFL-CIO.

In the view of at least one of its key framers, Mr. Lane Kirkland, Secretary-Treasurer of the AFL-CIO, this accord is an attempt at the social contract idea tried in Britain and some other European countries. However, Europeans are tricky, and this one has run into early trouble.

The plan is that the AFL-CIO would participate in the second year of Mr. Carter's voluntary incomes policy, putting five of its representatives on a new tripartite pay advisory committee. In return, the administration promised to try to meet labour's broader economic concerns. One of these concerns — Mr. Kirkland has made clear — is the soaring cost of loans and mortgages, affecting not only jobs in the construction industry but eventually the economy as a whole.

Too diverse

The administration can bring quiet pressure to bear on the Fed, smiling as Mr. Carter has done, or frowning on its actions. But although the central bank does not operate in a political vacuum, it is far from being under the White House thumb. That is one aspect of the basic flaw in attempting an American social contract: the centres of power in the U.S. are just too diverse.

The administration for instance — in the nine pages of generalities that make up the national accord — has undertaken to meet union concerns about trade protection and job creation schemes if unemployment worsens. But it cannot do so without the agreement of Congress, and Congress has shown itself very reluctant to do Mr. Carter's bidding these days.

Not can the AFL-CIO, a loose coalition whose constituent unions account for less than 20 per cent of the work force, commit American workers to any particular deal, even to the degree that the Trades Union Congress can in Britain.

Its structural weakness is compounded by the fact that the two biggest U.S. unions — the Teamsters (truck drivers) and the car workers — remain outside the AFL-CIO fold, though the administration has claimed both unions have given the national accord a favourable nod.

The third leg of the stool — business — is the least organ-



George Meany's trade union federation was none too happy with Fed chairman Paul Volcker's (right) credit squeeze package. Some labour leaders however are more angry with Carter whose quick endorsement of the package casts some doubts on the ability of the Administration to fulfil its promise of meeting some of labour's broader economic concerns contained in the National Accord.

ised. No single voice speaks for American business, with such organisations as the Business Roundtable, the U.S. Chamber of Commerce and the National Association of Manufacturers, vying for that privilege.

Government and labour tried to co-operate before on inflation, though in the very different context of President Nixon's mandatory controls. That did not last long. After five months Mr. George Meany, the AFL-CIO President, and three other labour representatives, walked off the Nixon pay board in 1972.

The AFL-CIO, despite its irritation with monetary policy, is not yet ready to scrap the newly negotiated national accord. But it might have to, Mr. Rudy Oswald, the AFL-CIO's Research Director, suggested this week, if for instance unemployment hit 7 per cent (it was 5.5 per cent last month) and the Carter Administration failed to come up with adequate job aid.

Sanctions

For the moment, however, the AFL-CIO wants to come in from the cold. It spent a year fruitlessly lambasting the Carter pay and price guidelines, and vainly contesting in court the Administration's right to use certain sanctions. It has now seized what Mr. Kirkland and others see as a chance to shape, and loosen, the guidelines from within rather than ineffectively sulking outside.

The change in personalities has also been a factor on both sides. Mr. Meany, the doughty 85-year-old AFL-CIO President, has been distracted for most of this year by ill health, and in his frequent absence, Mr. Kirkland, a younger and more temperate advocate of co-operation rather than confrontation, has taken up the reins. In turn, Mr. Kirkland, the hot tip to succeed Mr. Meany, who retires

officially next month, has found in Mr. William Miller a more receptive ear than was the case with his predecessor at the Treasury, Mr. Michael Blumenthal.

The enfeebled Carter Administration has, with next year's elections looming, every reason to be more receptive and to befriend organised labour. Mr. Kirkland insisted that the AFL-CIO will remain politically neutral for the time being between presidential candidates. That is strictly true. The AFL-CIO as a federation only endorses a presidential candidate (in practice always Democratic) after both parties have held their nominating conventions.

But it does the Carter campaign no harm to be seen consorting with labour on an important national issue like inflation. At the very least, the national accord may stem the drift of individual unions to Senator Edward Kennedy, who now has the support of the machinists, rubber workers and chemical workers unions, as well as the strong sympathy of the United Auto Workers leadership.

Unions may be on an overall decline in the U.S., but recent campaign finance laws which control political contributions mean the numbers of people trade unions can field during an election are all the more valuable.

Political deal

Mutual weakness may therefore strengthen the White House and AFL-CIO interest in clinging to their accord. But it has put the second year of the Carter incomes policy, which nationally began on October 1, off to a very slow and shaky start. The fact that it is seen as a political deal between Government and labour has alienated business. Lukewarm about the first year of the Carter guidelines, business is staying

lukewarm about the second, in contrast to the AFL-CIO's about-turn.

Apart from the nomination of Mr. John Dunlop, a Labour Secretary under President Ford and a long-time enthusiast for government involvement in collective wage bargaining, to chair the new pay body, none of the other 14 members of the pay committee or the five-man price committee has been named.

The main obstacle has been the reluctance of the business community to come up with five agreed names for its representation on the pay committee.

This delay has put the pay standard, which the pay advisory committee was supposed to revise by the end of this month, into temporary limbo. In the interim, the 7 per cent pay guideline which nominally applied between October 1978 and September 1979 has been relaxed by an extra percentage point for those unions which have no inflation compensation clause in their contracts, and by more for those workers whose wages rose by less than 7 per cent in the past year.

The price standard has also been loosened. In the past year companies were, broadly speaking, supposed to raise their prices by half a percentage point less than they did in a 1978-77 base period. "Deceleration" was the request by the Administration to business. Now, companies are only being asked to keep their overall price rises in 1978-80 no higher than in 1976-77.

Meaninglessness

It is quite possible the guidelines have now been relaxed to the point of economic meaninglessness. The AFL-CIO, for instance, intends to use its weight on whatever pay committee that is finally composed to scrap any numerical standard for wages.

"I don't see what a number gives you that a general principle would not," Mr. Oswald said this week. For his part, Mr. Alfred Kahn, the president's harried inflation adviser, has expressed alarm that a new wage standard might be set above 8.5 per cent.

The more fundamental question is whether the guidelines ever had any rationale with an inflation rate largely fuelled by such uncontrollable items as world oil prices and food prices. Mr. Carter made the same point this week when he said that but for energy import costs, U.S. inflation would this year be the same as in 1977 and 1978, not 13 per cent and rising.

Certainly, the Administration argues its guidelines have and will help prevent energy and food price rises spilling over into the basic inflation rate.

It can point to the low, 7.9 per cent, rise in hourly earnings over the past year, despite a few much-publicised big increases won by large unions. But if there is no serious "wage push" behind the U.S. inflation rate, it becomes obvious that the thrust of the National Accord is political rather than economic.

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COULD YOUR BANK MANAGER HELP YOU HAND OVER YOUR BUSINESS WITHOUT MOST OF IT GOING TO THE TAX MAN?

Sooner or later, everyone owning a business comes up against the problem of Capital Transfer Tax.

Which can mean that, if you're planning to hand your business over to your children or others, you can end up handing a lot of capital over to the Inland Revenue. You could even have trouble keeping the business going.

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After all, nobody asks tax experts to lend them money—so who goes to a bank manager with tax problems?

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you should. Because you can expect the unexpected from the Midland. You see, your Midland manager has at his disposal a wide range of specialist advisers and services who can, between them, help to answer all sorts of business needs.

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Start thinking of your Midland manager and his team as the people to deal with your business needs. Because, thanks to teamwork, you can expect us to come up with solutions you'd never expect.

You can expect the unexpected from Midland teamwork



Midland Bank

Midland Bank Limited

مركزنا الجديد

INTERNATIONAL CAPITAL MARKETS

BY FRANCIS GHILES

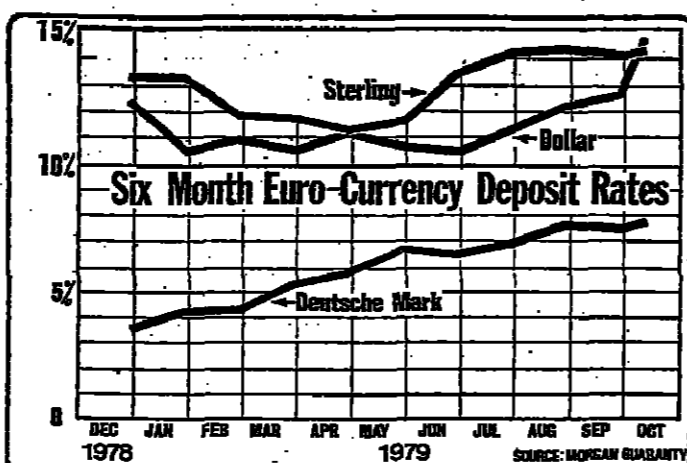
CURRENT INTERNATIONAL BOND ISSUES

Companies and Markets

INTERNATIONAL BONDS

Reeling at Volcker's medicine

FOR MONTHS the international bond markets had been clamouring for strong measures to support the dollar. Late on Saturday night, October 6, they finally got what they wanted when the Chairman of the Fed, Mr. Paul Volcker, announced a package which included the rise of the U.S. discount rate to a record 12 per cent.



The Floating Rate Note sector suffered more than many had anticipated last week; FRNs which had their coupons readjusted recently were woe hit but even those issues which had their coupons fixed last week fell back immediately after the readjustment.

The violent moves on the world's stock markets also helped to unsettle the convertible bond sector: the volatility of the shares of Charter Oil, which completed a convertible bond the week before last, pushed the price of this issue down from 98 to 75.

EURODOLLAR MARKETS

BY NICHOLAS COLCHESTER

Reserve requirements breed confusion

THE TIGHTENING of credit in the U.S. means sharply higher interest rates for borrowers the world over. But will borrowers on the syndicated loan market fare better or worse than borrowers in the U.S.?

per cent on 6 month Euro-dollars, 14.6 per cent and lend competitively in the U.S. But their position is now complicated by two factors: (a) foreign banks may still lend Euro-dollars into the U.S. reserve free; (b) foreign branches of U.S. banks themselves can exploit reserve free loopholes—they can lend to Ford Europe, for instance, rather than Ford in the U.S. and Ford could repatriate the funds internally.

Such considerations can only add to the apparent riskiness of making syndicated loans to hard pressed countries and lead to a general feeling that lending terms should be tougher—feeble though the impact of such an argument has been up till now.

Table with columns: Borrowers, Amount, Maturity, Av. life years, Coupon %, Price, Lead manager, Offer yield %.

U.S. BONDS

BY STEWART FLEMING

Outlook still uneasy

THE CALMER conditions which prevailed on Thursday and Friday in New York's financial markets at the end of one of the most dramatic weeks Wall Street has witnessed, do not necessarily foreshadow a return to what might be loosely described as "normality."

ing trends in U.S. interest rates. The Fed's one percentage point increase in the discount rate, to 12 per cent; its imposition of new marginal reserve requirements; and its proposed new technique of managing the U.S. money supply, left virtually all U.S. interest rates at record highs, and Wall Street's bond trading houses nursing record losses in relation to the time period in which they were incurred.

FT INTERNATIONAL BOND SERVICE

Large table with columns: U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, YEN STRAIGHTS, OTHER STRAIGHTS, BOND TRADE INDEX AND YIELD, EUROBOOND TURNOVER, STRAIGHT BONDS, FLOATING RATE NOTES, CONVERTIBLE BONDS, FLOATING RATE NOTES, CONVERTIBLE BONDS.

Advertisement for Albaab' al bahrain arab african bank (e.c.) featuring the text 'Introducing Albaab' an important new name in International Banking' and details of the bank's capital and services.

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NOTICE IS HEREBY GIVEN that the... SARINE MATHESON & CO. LIMITED... 28th September, 1979.

BANCO CENTRAL DE RESERVA DE EL SALVADOR

US\$25 Million Floating Rate 1978/83... The rate of interest applicable for the six months period beginning on October 12th 1979, and set by the reference Agent is 15 1/2% annually.

PUBLIC NOTICES

STRATHCLYDE REGIONAL COUNCIL

VARIABLE RATE REDEEMABLE STOCK 1982... For the six months from 14th October, 1979, to 14th April, 1980. The interest rate on the above stock will be 14.7188% per annum.

BANK OF SCOTLAND

55 Old Broad Street London EC2P 2HL

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS... 28th September, 1979.

ART GALLERIES

ART GALLERIES... The Mall, S.W.1... 10th-12th October.

CINEMAS

CINEMAS... ODEON MARBLE ARCH W2 (733 2011-2)... PRINCE CHARLES... STUDIO 4.

CLUBS

CLUBS... EVE has notified the others because of a policy of fair play...

TRAVEL

TRAVEL... GENEVA, Basel, Zurich and Bern, Widest range of cheap flights from 2 U.K. airports.

CLASSIFIED ADVERTISEMENT RATES

Table with columns for advertisement type (Commercial and Industrial Property, Residential Property, etc.) and rates per line/cm.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available.

TODAY

COMPANY MEETINGS... AGS Research, 75, Shoe Lane, E.C. 12.09. Austin (James), Wakefield Post House, 12.00. Drive, Gosport, West Yorkshire, 12.00.

THURSDAY, OCTOBER 18

COMPANY MEETINGS... British Electric Traction, Cannon Road, Great Queen Street, W.C. 12.15. Deighton Industries, Aerospace Hotel, Ferry Way, Croxall, 11.30.

FRIDAY, OCTOBER 19

COMPANY MEETINGS... Botolph Claydon, 12.00. Botolph Claydon, 12.00. Botolph Claydon, 12.00.

TOMORROW

COMPANY MEETINGS... Anglo-Practical, 215-217, Finsbury Road, 12.00. Anglo-Practical, 215-217, Finsbury Road, 12.00.

WEDNESDAY, OCTOBER 17

COMPANY MEETINGS... Christie-Tyler, Angel Hotel, Cardiff, 12.00.

U.S. \$100,000,000 NATIONAL WESTMINSTER BANK LIMITED Floating Rate Capital Notes 1994

U.S. \$100,000,000 NATIONAL WESTMINSTER BANK LIMITED Floating Rate Capital Notes 1994. In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 11th October, 1979 to 11th April, 1980 the Notes will carry an interest rate of 14 1/2% per annum.

CORRECTED NOTICE

CORRECTED NOTICE... U.S. \$100,000,000 NATIONAL WESTMINSTER BANK LIMITED Floating Rate Capital Notes 1994.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Table listing UK Trade Fairs and Exhibitions with dates, locations, and contact information.

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Table listing Overseas Trade Fairs and Exhibitions with dates, locations, and contact information.

BUSINESS AND MANAGEMENT CONFERENCES

Table listing Business and Management Conferences with dates, topics, and locations.

CONTRACTS AND TENDERS

IBAR-LEPENAC PROJECT YUGOSLAVIA

Ibar-Lepenac Enterprise calls for International Competitive Bidding for construction of the following structures of the Ibar System: (1) Irrigation and drainage system... (2) Pumping station... (3) Administration building.

The Syrian Arab Republic

The Committee of AL-Assad University Hospital calls for offers for carrying out the necessary studies for completing and equipping AL-Assad University Hospital in the city of Lattakia.

SUDAN RAILWAYS STORES DEPARTMENT

SUDAN RAILWAYS STORES DEPARTMENT CONTRACT No. 5200 SUPPLY OF: A) 200 Covered Goods Wagons of 35 Tons Capacity B) 100 High Sided Open Wagons of 35 Tons Capacity

TURKISH COAL ENTERPRISES ANKARA, TURKEY

Turkish Coal Enterprises (TKI)—Ankara, Turkey, is inviting tenderers for bidding, for supply of mining machinery composed of different types and units of loaders, bulldozers, dump trucks and drilling machines.

STATE OF ISRAEL

MINISTRY OF LABOUR & SOCIAL AFFAIRS INDUSTRIAL DEVELOPMENT PROJECT—VOCATIONAL/TECHNICAL TRAINING JERUSALEM, P.O.B. 915

INTERNATIONAL COMPETITIVE BIDDING FOR EQUIPMENT

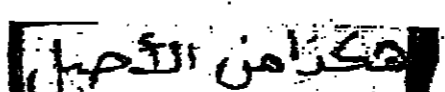
- 1. The Government of Israel—Ministry of Labour and Social Affairs—plans to improve and expand its system of Vocational/Technical Training institutions... 2. The Directorate of the Project announces the publication of the public international tender 99.01.T for the supply of equipment in the technical/vocational branches of Metal Trades (11.03.T); Automotive Trades (12.04.T); Electronics (13.02.T); Electricity (14.02.T); Carpentry and Woodwork (15.01.T); Chemistry (20.02.T); Physics (21.02.T); Building and Architecture (22.01.T).

ARGENTINE REPUBLIC

MINISTRY OF ECONOMY STATE SECRETARY OF ENERGY

Hidronor S.A. Hidroeléctrica Norpatagónica Sociedad Anónima Alicopa Complex Alicurá Hydroelectric Project

Prequalification of contractors: Contract No. 544—main transformers. In connection with a subsequent call for tenders for design, manufacture, transportation, and commissioning of five main transformers, Hidronor S.A. will receive and analyse the qualifications and references of those national and international firms or consortia of firms, that have adequate technical and financial capacity and wish to take part in the call for tenders.



FINANCIAL TIMES SURVEY

Monday October 15 1979

Banking in France

With France's economy under renewed pressure because of higher oil prices the country's bankers have had to resign themselves to a further period of official restraints. Their frustration can be tempered by the knowledge that the pause allows time for continued reform of the banking system.

BANKING, no less than other sectors of the French economy, has had to bear the shock of the sharp increase in oil prices since the end of last year. The successive OPEC decisions could not have come at a worse time for France, which is dependent on imports for 75 per cent of its energy requirements. Just when Prime Minister Raymond Barre's austerity programme, introduced in the autumn of 1978, was beginning to bear fruit the French economy received a body blow which has put paid, for the next 12 months at least, to any hopes of a real relaxation of his policy of economic constraint.

The effects of the oil price increases on the balance of payments and inflation, and the possible long-term consequences for the stability of the franc, have obliged the Government to persevere with policies which M. Barre hoped to dismantle progressively after 3 years. Though the left-wing opposition parties and the major trade unions have had a field-day in accusing M. Barre of having failed to respect his self-imposed deadline for the recovery of the economy, it is difficult to see what other options are now open to him—or to any successor should a new premier be appointed by President Giscard within the next 6 months.

The economic situation, it is true, is by no means desperate, but it needs watching closely, if all the benefits of M. Barre's policies are not to be squandered. The rise in oil prices will add some FF18bn to the country's oil import bill in the current year and as much as FF30bn in 1980 on present

calculations. As a result, the trade balance which, for the first time in 3 years, showed a small surplus of FF2bn in 1978, is expected to move into deficit to the tune of FF5bn to FF10bn in 1979.

The current account is still expected to be in the black in 1979, but last year's surplus of nearly FF17bn will probably be reduced to about FF7bn. Consequently, if policies become more expansionary one of M. Barre's major objectives—to restore the balance of payments and thus ensure that the franc remains stable in relation to the world's main currencies—would be thwarted.

The same goes for inflation. While the aim of bringing down France's rate of inflation to within a few points of the West German level was well out of reach even before the OPEC oil price rises, it looks even less attainable today. Last year's rise in consumer prices of 9.7 per cent was already considered to be unacceptably high, but it will certainly be exceeded in 1979. Over the last three months inflation has been running at an annual rate of 13.4 per cent and the out-turn for 1979 is expected to be at least 11 per cent.

Expected

The economy as a whole is not now expected to grow by more than about 3 per cent in 1979 and 2.5 per cent in 1980, while at the end of last year, when consumer spending was increasingly vigorously and export prospects looked much more favourable, the authorities were confidently looking forward to a growth in Gross Domestic Product of 3.7 per

cent in the current year.

The contraction of export outlets as a result of the slack condition of the world economy following the oil price increases and the loss of such important markets as Iran, coupled with much more hesitant domestic demand, has already begun to affect the level of economic activity. Industrial production, though above last year's level

in all sectors, have been sorely disappointed. Whatever the Government's original intentions were, they had to be abandoned in the interests of the fight against inflation following the oil price rises. The strict credit growth ceilings applicable to all but the smallest banks have been made even more restrictive and the proportion of credits previously

deficits have always turned out to be much higher than those initially announced by the Government in recent years. A shortfall of something like FF30bn at the end of the day is therefore considered by most experts to be a much more realistic estimate.

Judging by past experience there must also be some doubt about whether the money

in all sectors, have been sorely disappointed. Whatever the Government's original intentions were, they had to be abandoned in the interests of the fight against inflation following the oil price rises. The strict credit growth ceilings applicable to all but the smallest banks have been made even more restrictive and the proportion of credits previously

been refused loans by the banks. The main sufferers have proved to be small businesses, which have had to compete with major companies with a high credit rating for the limited funds available.

The slowdown of economic activity, together with the recent improvement in the financial positions of companies—the self-financing rate of private industry rose sharply in 1978 to 75 per cent from 58 per cent two years ago—has kept loan demand down to manageable proportions. In some cases banks have not even reached the lending growth ceilings imposed by the authorities.

cent, in line with the rise in U.S. and other West European rates.

This has obliged the French banks, which refinance themselves on the money markets to push up their own lending rates in successive stages. In September the major banks raised their lending rate to 10.75 per cent, and another general increase to 11.5 per cent, the highest level for over four years, was on the way at the time of writing. Since early June this year there have been six increases in banks' base rates, pushing up the cost of lending by just over 25 per cent in the short space of 10 weeks.

Depressive

Not surprisingly, however, the banks are strongly opposed to the "corset" in which they have been confined. One of the main criticisms levelled at the system is that it restricts competition by freezing market shares and that it favours the large banks and companies at the expense of the smaller establishments. The Government has not been entirely insensitive to the banks' complaints but has argued that in the present economic situation it would be folly to abandon its principal tool for controlling the money supply.

Another instrument used extensively by the monetary authorities over the past few months, with the dual purpose of curbing inflation and keeping the franc steady on the exchange markets, has been interest policy. The day-to-day money market rate, which at the end of last year hovered around only 6.5 per cent, has been steadily forced up by the Bank of France to over 11 per

Barring a reduction in the current high level of international interest rates and an early slowdown in inflation, unlikely in present circumstances—the authorities' debt management policy is not expected to be modified for some time. But though it obviously serves M. Barre's purpose of mopping up surplus liquidity, it can hardly fail to have a depressive effect on investments, exacerbate existing economic difficulties and thus cause a further rise in unemployment.

As the next presidential election, due in early 1981, draws nearer, the Government will be faced with the increasingly difficult dilemma of whether to allow political considerations to influence its economic policy or whether to persevere with its present policies of monetary restraint. The room for manoeuvre is small, if the shock to the French economy administered by OPEC is to be successfully absorbed.

Economic clamps remain

By Robert Mauthner, Paris Correspondent

in the first half of 1979, has begun to stagnate.

The weakness, particularly of domestic demand, has scotched hopes of a sharp recovery in industrial investment after two years during which private investment actually declined. According to official Government forecasts, private investment is still expected to grow by 2.8 per cent in 1979 and that of the major nationalised corporations by 9 per cent. But the latest survey of industry conducted by the National Institute of Statistics (INSEE), suggests that private investment will increase only marginally by some 1.5 per cent.

The Government has therefore been obliged to adopt

strict targets for the growth of the money supply.

In an effort to keep the economy ticking over more or less satisfactorily, though at a much lower level than required to achieve anything like full employment, the Government has budgeted for a 1980 deficit of FF31bn, one of the biggest projected shortfalls in recent years. The authorities have promised that the deficit will be entirely financed out of savings—at least FF20bn will have been raised in the form of State loans in 1979—and that there will be no creation of new money.

In practice, however, this undertaking is unlikely to be respected, since final budget

supply growth target will be adhered to. For 1980 the authorities have again set themselves the objective of restricting the increase in M-2 money supply to 11 per cent, the same figure as for 1979. But in the first half of this year the growth of M-2 was already as much as 7.5 per cent, compared with only 6 per cent during the corresponding period last year, when the annual growth target was 12 per cent.

The banks, which were hoping that the improved economic situation at the end of last year would finally lead the Government to dismantle the seven-year-old system of credit controls in line with its philosophy to stimulate competition

exempted from this regulation (medium-term export credits, some types of housing loans and loans for energy-saving equipment) has been reduced. Only 20 per cent of the annual increase in these categories of loans has been subject to the ceilings system since last autumn. This ratio has now been increased to 30 per cent.

Banks which do not observe the credit norms set by the Government are heavily penalised by the obligation to deposit supplementary reserves with the Bank of France, calculated at a rapidly rising rate. The system has not, however, proved to be quite as much of a constraint as it appears. Large companies have hardly ever

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BANKING IN FRANCE III

Powerful core of big banks

FRANCE HAS more big banks among the top ten in the world league than any other Western country.

inevitably helped them to grow and flourish. Allied to this influence at the centre, the big banks have also established a wide network of provincial operations.

individual wage earners. As people were pulled off the land and into the factories in the 1950s and 60s, it became customary—and then in many cases legally obligatory—to pay salaries into banks or similar savings accounts.

idea of these limitations was to rein in money supply growth in the interests of restraining inflation. The system means that banks can only increase their total lendings within a certain proportion of the previous year's total—the measure is about 11 per cent at present.

reckoned to be the largest bank in the world, opened a branch in London in 1870, at about the same time as in Paris.

in the foreign operations is therefore different in emphasis from that at home, at least as far as the big three nationalised groups are concerned.

of expansion, the French banks can now boast an overseas presence as strong as that of any of their world counterparts.

now developing ambitions on foreign markets, and will probably be forced to put more of its efforts into this area as the Government's aims to reduce its privileged status in lending to farmers begin to bite into its profits base in France.

Old Guard

CONTINUED FROM PREVIOUS PAGE

chairman of the giant Crédit Commercial de France—comes from the "haute banque."

policy, dealt heavy blows to the prestige of the "haute banque," which had already lost its seats of greatest influence in the 1930s when the Bank of France's regent system was scrapped and the Government took over the railways.

been broken, with banks like Rothschild becoming incorporated as sociétés anonymes.

Baron Guy, and Nathaniel de Rothschild, son of Baron Elie. Both are still in their mid-thirties.

Rothschild, who was until quite recently in the process of a financial rapprochement with his cousins on the Rue Laffitte.

Among the private sector banks Crédit Commercial de France, the largest of the private group, is the most similar to the nationalised groupings.

Similarly, Crédit Lyonnais has offices virtually worldwide except India (still dominated by the British) and Australia, where it has failed to get established before the barrier came down on new foreign banks.

When one small bank tried recently to introduce charges on the use of cheques over a certain point there was an enormous outcry, on the grounds that customers had been first attracted by the freedom of the bank's services.

They were joined by another group—Jewish bankers. These included the Portuguese-origin Péreire family and the Frankfurt-origin Rothschilds.

While following the seemingly inevitable trend towards "universal" banks, the elite names have continued to play on their special skills as portfolio managers and merger advisers.

The latter group, NSM, has passed under Dutch control, Worms et Cie, the shipping, insurance and banking partnership, shares the capital of Banque Worms with Lloyds Bank International, Bank of Scotland, Hessische Landesbank Girozentrale and Philadelphia National Bank.

M. David de Rothschild is aiming to bring this new mixed bank, with a balance sheet total of some FFr 10bn, up to the "critical size" where it can compete in the big league of French commercial banks.

Perhaps this approach is more in tune with the audacious spirit of the early 19th century bankers. But the scale, the influence and the trappings are all more modest.

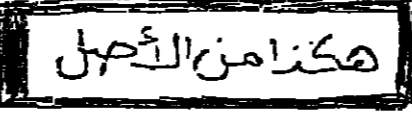
Following the last ten years

Other banks believe something similar is necessary, but are afraid to act.

Secondly, the average French customer has become much wiser in controlling his account. Any surplus cash these days is moved into interest-bearing accounts, meaning less profit for the banks.

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AUTHORIZED UNIT TRUSTS

Table listing various authorized unit trusts with columns for trust name, manager, and other details.

Table listing insurance and property funds with columns for fund name, manager, and other details.

Table listing offshore and O'Seas funds with columns for fund name, manager, and other details.

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Notes and disclaimers regarding the financial data provided in the tables.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms with their respective prices and market data.

INSURANCE—Continued

Table of insurance companies such as British Overseas Airways, British Petroleum, and various insurance providers.

PROPERTY—Continued

Table of property-related stocks and companies, including various real estate and construction firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and funds, listing various trusts and their performance metrics.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and landowners.



MINES—Continued

Table of Australian mining stocks, including companies like Anglo American, Anglo Coal, and various metal mines.

TINS

Table of tin-related stocks and companies, including various tin mining and processing firms.

COPPER

Table of copper-related stocks and companies, including various copper mining firms.

MISCELLANEOUS

Table of miscellaneous stocks and companies, including various small-cap and specialty firms.

GOLDS EX-SPREMIUM

Table of gold-related stocks and companies, including various gold mining firms.

NOTES

Notes section containing various financial news items, company announcements, and market commentary.

TEAS

Table of tea-related stocks and companies, including various tea trading and processing firms.

India and Bangladesh

Table of stocks from India and Bangladesh, including various companies from these regions.

Sri Lanka

Table of stocks from Sri Lanka, including various companies from that country.

Africa

Table of stocks from Africa, including various companies from the continent.

MINES CENTRAL RAND

Table of central rand mining stocks, including various mining firms in the region.

EASTERN RAND

Table of eastern rand mining stocks, including various mining firms in the region.

FAR WEST RAND

Table of far west rand mining stocks, including various mining firms in the region.

O.F.S.

Table of O.F.S. (Overseas Financial Services) stocks, including various financial service firms.

FINANCE

Table of finance-related stocks, including banks and financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum-related stocks, including various mining and trading firms.

CENTRAL AFRICAN

Table of central african stocks, including various companies from the region.

REGIONAL MARKETS

Table of regional market data, including stock indices and performance metrics for various regions.

OPTIONS 3-month Call Rates

Table of 3-month call rates for various options, including interest rates and market data.

INSURANCE

Table of insurance companies and their stock prices, including various insurance providers.

PROPERTY

Table of property-related stocks and companies, including various real estate and construction firms.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks, including various trusts and financial institutions.

Finance, Land, etc.

Table of finance, land, and other related stocks, including various financial and land-related firms.

DIAMOND AND PLATINUM

Table of diamond and platinum-related stocks, including various mining and trading firms.

CENTRAL AFRICAN

Table of central african stocks, including various companies from the region.

